

yc.edu

Investing in Growth

BUDGET

2027
FISCAL YEAR

Yavapai
COLLEGE
Prescott, Arizona



TABLE OF CONTENTS

BUDGET 2026-2027 — YAVAPAI COLLEGE

College Leadership	5
Mission, Vision, Values, Priorities	6
Message from the President	8
Message from the Chief Operating Officer	10
SERVICE DISTRICT	12
YAVAPAI COLLEGE	20
ORGANIZATION	28
STRATEGIC PLAN	44
BUDGET	52
All Funds	58
General Fund	60
Auxiliary Fund	62
Restricted Fund	66
Plant Fund	68
Debt Fund	74
Beginning Fund Balances	77

FINANCIAL DISCUSSIONS & ANALYSES	78
REVENUES	79
EXPENSES	86
General	88
Auxiliary	90
Restricted	92
Plant Fund	92
Debt	94
Cost Efficiency	97
Labor Costs & Salary Recommendations	99
FINANCIAL PLANNING	105
EXPENDITURE LIMIT	109
GLOSSARY	114
APPENDICES	120
Public Notices	121
State Budget Forms	122



PRINCIPAL OFFICIALS

DISTRICT GOVERNING BOARD

District	Name	Position	Term Ends
1	William Kiel	Board Member	December 31, 2030
2	Deb McCasland	Board Member	December 31, 2028
3	Alton Payne	Board Secretary	December 31, 2030
4	Patrick Kuykendall	Board Member	December 31, 2026
5	Steve Bracety	Board Chair	December 31, 2026

EXECUTIVE LEADERSHIP TEAM

Dr. Lisa Rhine, President

Dr. Doug Berry, Provost and Vice President of Student Affairs

Dr. Clint Ewell, Chief Operating Officer

Dr. Marylou Mercado, Vice President of Workforce Development and Health Sciences

Dr. Janet Nix, Chief Human Resources Officer

Mr. Jack Smith, Vice President of Community Relations & Legislative Affairs

MISSION, VISION, VALUES, PRIORITIES

MISSION

Yavapai College transforms lives and strengthens the local economy through education.

VISION

Yavapai College ensures our Community a premier place to learn, work, and live.

VALUES

Excellence

We foster positive relationships and accountability, anticipate and address stakeholders' needs, and create a supportive learning environment.

Continuous Learning

We promote continuous learning and intellectual curiosity through formal education and beyond.

Innovation

We encourage creativity, critical thinking, and the pursuit of new ideas and solutions.

Belonging

We treat others with dignity and consideration, fostering a supportive and collegial environment.

PRIORITIES

Yavapai College exists so communities within Yavapai County have access to and are equipped with the knowledge and skills to improve quality of life. The College will achieve these results at a cost the Board believes is justifiable.

1. Education:

- a. Job seekers
- b. Transfer students
- c. Adult Basic Education
- d. Lifelong learners
- e. Maximize persistence and completion
- f. Students understand how to access financial resources and support programs

2. Economic:

Communities in Yavapai County are supported in their efforts to lead economic development, with emphasis on generating and sustaining economic base jobs.

3. Community:

Yavapai County residents have access to social and cultural opportunities.



MESSAGE FROM THE PRESIDENT

Dear Yavapai College Community,

As we enter the 2027 fiscal year, I want to acknowledge the continued evolution of the economic, technological, and political landscape shaping both our institution and the communities we serve. The release of our 2027 Budget Book reflects our enduring commitment to transparency, accountability, and thoughtful stewardship of public resources as we navigate a dynamic higher education environment.

Higher education continues to experience policy shifts at both the federal and state levels, influencing funding models, financial aid, and workforce development priorities. Ongoing conversations around affordability, student debt, and career-aligned education present both opportunities and uncertainties. At Yavapai College, we remain focused on advocating for policies that support student success while maintaining our commitment to academic excellence, institutional integrity, and innovation.

Economic pressures persist, particularly in areas such as housing affordability, healthcare, and the cost of everyday goods and services. These challenges affect not only our operational planning but also the well-being and success of our students, faculty, and staff. We recognize the importance of addressing these realities with empathy, adaptability, and strategic decision-making.



Rising operational costs continue to require disciplined fiscal management and creative solutions. We remain dedicated to balancing innovation and growth with affordability and access ensuring that a Yavapai College education remains within reach for all who seek it.

This year, we became the first community college in the nation to offer an optimized baccalaureate degree in Business requiring only 92 credits instead of 120 and entirely textbook free with no additional fees. In fall, we launch two more optimized degrees in Public Safety Administration and Graphic Design. These programs reflect our commitment to providing high-quality, accessible education that aligns with industry demand and supports economic vitality.

Yavapai College remains one of the most affordable higher education institutions in the nation, with low tuition and property tax rates. We are proud of our strong student outcomes, including leading graduation rates in Arizona, high levels of Arizona General Education Curriculum completion, and successful transitions of students into careers or further education.

We honor the trust placed in us by our community through high-quality programming, and a steadfast focus on student achievement. I extend my sincere appreciation to all who contributed to the development of this year's budget. Your insight and dedication are vital to our continued success.

Together, we will continue to adapt, innovate, and lead ensuring that Yavapai College remains a transformative force in the lives of our students and in the strength of our community.

Thank you for your ongoing commitment to our mission and vision.

Lisa B. Rhine, Ph.D.
President



*Center for Learning & Innovation
Verde Valley Campus*

MESSAGE FROM THE COO

Dear Community Members,

I am pleased to share an overview of our current budget, and how it is positioning the college to better serve our students and communities in the years ahead. Our budget is more than a financial document—it is a reflection of our values, our priorities, and our commitment to fiscal sustainability.

Like every college across the country, we are operating in a period of rapid change. Demographic trends continue to place downward pressure on traditional college-going populations, particularly among recent high school graduates. At the same time, the needs of adult learners and working professionals are expanding, with increasing demands to offer skills-based education that fit students' schedules as they balance school with family and work obligations.

Technological advancement—particularly in artificial intelligence—is reshaping both the workforce and how education is delivered. Employers are seeking graduates who are not only critical thinkers and excellent communicators, but who are digitally fluent and who have demonstrated an ability to learn and adapt amidst emerging technologies. In response the College is investing in AI tools to improve both the effectiveness and efficiency of the services we deliver, as well as to help our students learn how to properly use AI tools in their professional and personal lives.

The cost of living in Yavapai County continues to rise, driven primarily by the cost of housing. Recognizing the growing impact of housing costs on our community, Yavapai College continues to invest in demonstration projects focused on attainable housing. These efforts are intended not only to support our students and employees, but also to explore scalable solutions that can benefit the broader region.

At the same time, our region's economic vitality depends on a strong, locally trained workforce in fields such as healthcare, public safety, skilled trades, and emerging technologies. To that end, we are also launching a variety of new programs designed to lead directly to living-wage careers, including:

- Artificial Intelligence
- Cybersecurity



- Commercial HVAC
- Integrative Health
- Robotics
- Diagnostic Medical Sonography
- Graphic Design
- Public Safety

Against this backdrop, Yavapai College continues to prioritize fiscal stewardship: Our college maintains the third most affordable tuition in a state that offers the fourth lowest tuition rates in the nation. Additionally, our constituents benefit from the lowest effective county property tax rate in the fourth lowest state nationally. Our ability to offer low tuition and operate with a modest tax burden is a point of pride for us. It reflects a long-standing commitment to efficiency, careful planning, and accountability.

At the same time, affordability cannot come at the expense of quality. Our students deserve modern programs, well-maintained facilities, and access to the tools and technologies that will define their futures. This budget reflects a deliberate effort to balance these priorities.

Thank you for your continued financial support of Yavapai College-- an investment not only in our students and programs, but also in our region's economic vitality and collective future.

Sincerely,
Clint Ewell, Ed.D.
Chief Operating Officer

GFOA DISTINGUISHED BUDGET PRESENTATION AWARD

GFOA established the Distinguished Budget Presentation Awards Program to recognize governmental entities that prepare budget documents of the very highest quality by reflecting both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting.

Approximately 1,800 states, cities, counties, special districts, school districts, colleges & universities have been recognized for transparency in budgeting. To earn recognition, budget documents must meet program criteria and excel as a policy document, financial plan, operations guide, and communication tool.

Yavapai College is one of a handful of colleges and universities in the country to meet these rigorous standards and is proud to join both current and former local award winners including the Town of Camp Verde, the City of Cottonwood, the City of Prescott, the Town of Prescott Valley, and the City of Sedona.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**Yavapai County Community College District
Arizona**

For the Fiscal Year Beginning

July 01, 2025

A handwritten signature in black ink that reads "Christopher P. Morrill".

Executive Director



SERVICE DISTRICT

YAVAPAI COUNTY

YAVAPAI COUNTY

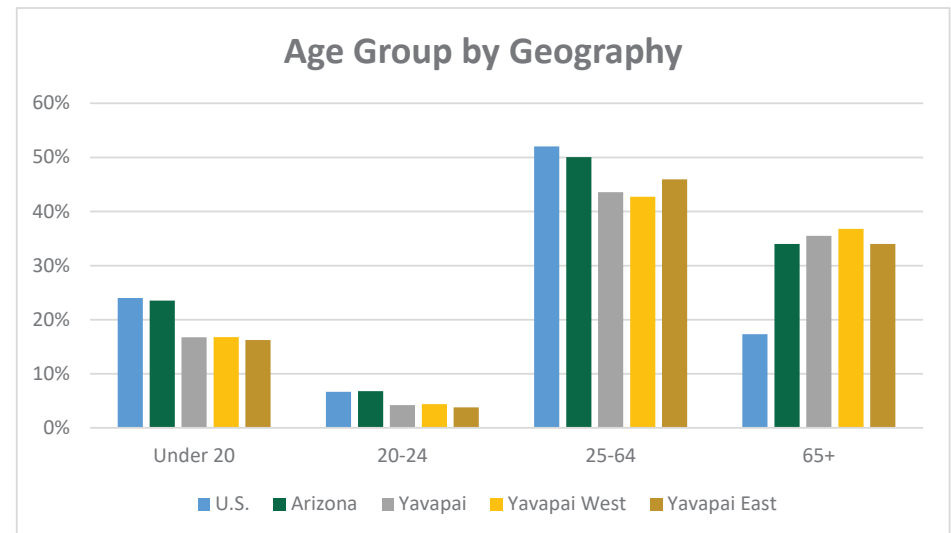
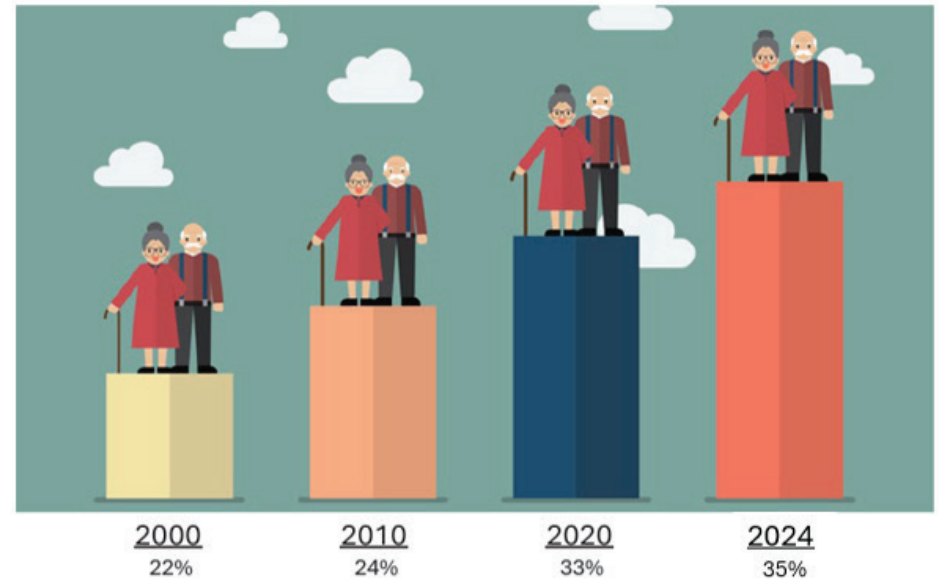
Yavapai College (YC) primarily serves the 252,000 residents of Yavapai County in north-central Arizona. The county encompasses 8123 square miles (larger than RI, DE, or CT). Incorporated cities and towns within the county include Camp Verde, Chino Valley, Clarkdale, Cottonwood, Dewey-Humboldt, Jerome, Prescott, Prescott Valley, and Sedona. There are many unincorporated areas of the county to serve as well, including the Yavapai-Prescott Indian Tribe and the Yavapai-Apache Nation.

The historic downtown shopping district of Prescott, the Red Rocks of Sedona, the Wine Trail of the Verde Valley, combined with sunny skies and mild temperatures, make Yavapai County a favorite destination for residents of Arizona and beyond. Surrounded with natural scenic beauty ranging from the Prescott National Forest to the high desert, outdoor activities such as hiking, biking, and rock climbing are hugely popular. Dozens of miles of groomed trails and picturesque locales afford stunning views year-round.

Yavapai County has a rich history, and its past is maintained in various forms by local museums, including Sharlot Hall Museum, the Museum of Indigenous People, and the Camp Verde Archeology Center. Art galleries and boutiques abound throughout our communities. Local theater is alive and well, and music—from bar bands to Bluegrass Festivals and chamber orchestras—is abundantly available. Recurring annual events include the Sedona International Film Festival, the Camp Verde Pecan & Wine Festival, the World’s Oldest Rodeo, and the Acker Musical Showcase. The area offers something for everyone.

Yavapai County has unique demographics with roughly twice the national average proportion of people 65 and older—this area has become a popular retirement destination. Like many “Silver Cities”, most county growth in the past decade has occurred through the in-migration

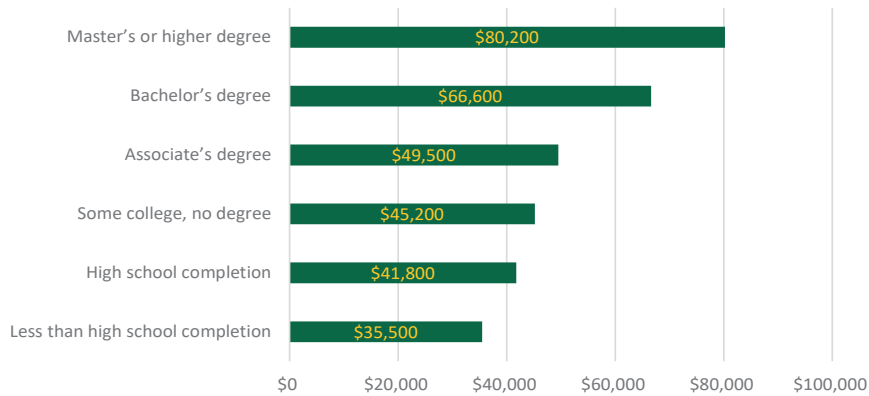
Percent of County Population 65+



Source: ACS 5-year, 2019–2023 release

Median Annual Earnings by Educational Attainment

Full-time, Year-round Workers Age 25-34



Source: U.S. Department of Commerce, Census Bureau, Current Population Survey (CPS), Annual Social and Economic Supplement, 2023

of retirees. While these residents may not need traditional credit classes, many look to the College either to provide other programming which they can enjoy or to train tomorrow's health care workers, business professionals, and other service providers that retirees need.

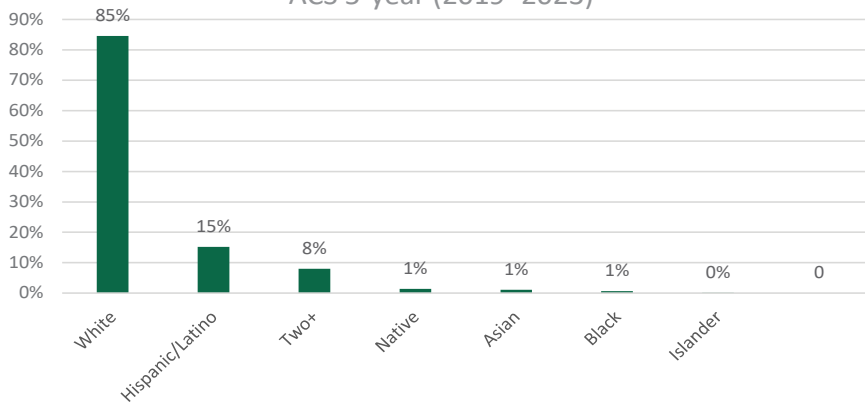
In addition to the influx of retirees, the county is experiencing the same demographic shifts as the nation, with fewer high school-aged people due to lower birthrates during the last recession.

As you can see, Yavapai County is primarily White. Hispanics are the largest minority group, and their median age of 32 is significantly lower than the County median age of 55.

Including retirees, the county education level mirrors national achievement levels of Associate and Bachelor degree completion; however, attainment levels are lower when focusing on the working-age population (ages 25–64) — for which there are roughly 70,000

Yavapai County Race & Ethnicity

ACS 5-year (2019–2023)

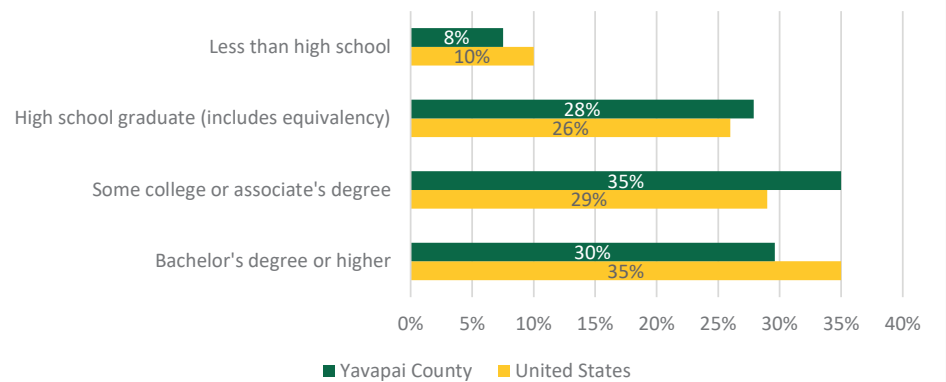


Note: Percentages may total over 100% as individuals may identify with more than one race.

Source: IPUMS USA, 2016-2020 American Community Survey 5-Year Estimates Micro Dataset

Educational Attainment

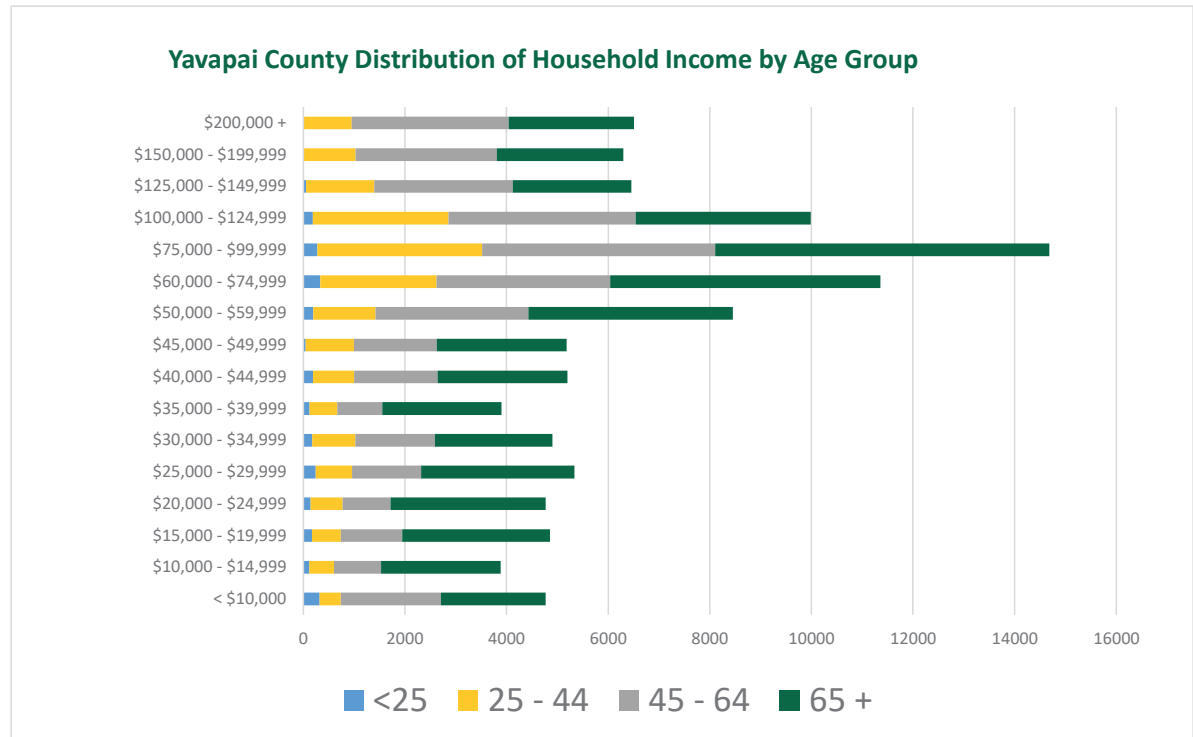
Adults Age 25+



people in the Yavapai County workforce who would likely benefit from a college certificate or degree. As you can see from the adjacent table, there is a strong positive relationship between education level and annual earnings.

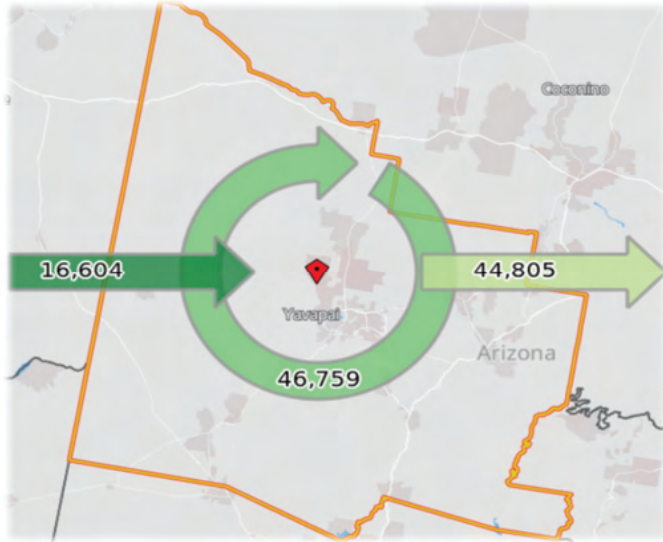
The median income in Yavapai County is 16% below the national average, and the county poverty level of 12.8% is somewhat above the national poverty level of 11.1%. Moreover, 44% of high school students in Yavapai County are eligible to receive free or reduced lunches. These families are under financial stress, struggling to make ends meet to cover household basics such as housing, food, childcare, transportation, health care, and technology. The United Way has developed a metric for this demographic called ALICE, which is an acronym for Asset-Limited, Income-Constrained, Employed. Per United Way, the proportion of ALICE residents in Yavapai County mirrors the proportion of students receiving free or reduced lunches.

To a large degree, lower median wages are influenced by the mix of industries in the local economy, particularly hospitality, tourism, and retiree-driven services.



Source: American Community Survey, S1901, 2021

Commuting patterns of Yavapai County



Low income, combined with an increasing cost of living, limits the size of our available workforce — some people cannot afford to live here. Analysis of commuting patterns indicates approximately 16,600 workers commute into Yavapai County for employment, while over 44,800 residents commute out of the county for work, primarily to the Phoenix metropolitan area.

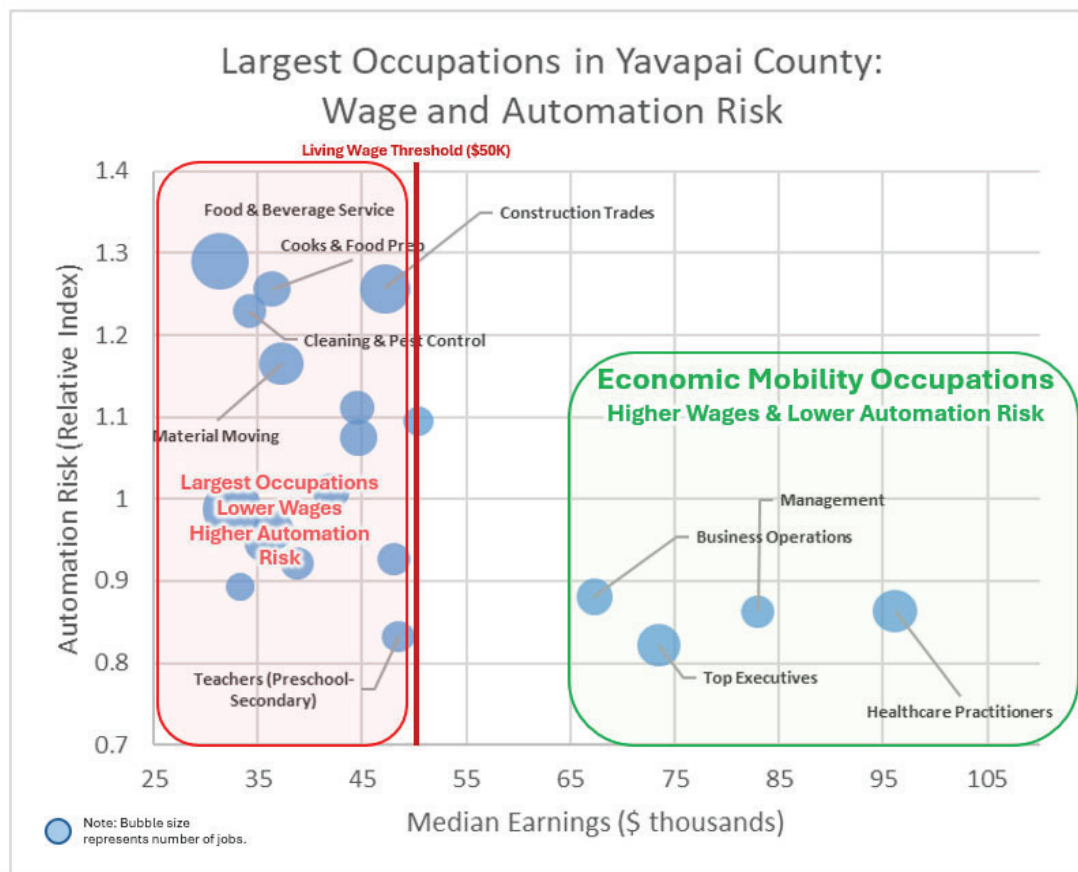
Source: <https://onthemap.ces.census.gov/>

Yavapai Largest Industries (NAICS, 2-digit)	Jobs (2024)	Post-COVID Chg (2019-24)
Government	12,015	3% ▲
Healthcare	11,293	0% ▬
Retail	10,771	5% ▲
Hospitality and Food Services	9,655	0% ▬
Construction	7,933	13% ▲
Administrative and Waste Services	5,576	61% ▲
Other Services	4,808	-6% ▼
Manufacturing	4,012	-2% ▼
Professional and Technical Services	3,350	19% ▲
Education	2,627	-6% ▼
Real Estate and Leasing	2,058	18% ▲
Wholesale Trade	2,006	23% ▲
Transportation and Warehousing	1,808	17% ▲
Finance and Insurance	1,423	23% ▲
Arts and Entertainment	1,359	-6% ▼
Mining and Oil Extraction	1,276	13% ▲
Agriculture and Fishing	632	18% ▲
Information	603	-5% ▼
Company Management	317	158% ▲
Utilities	249	21% ▲

Only five of the top ten industries have recovered to pre-pandemic employment levels.

Source: US Bureau of Labor Statistics

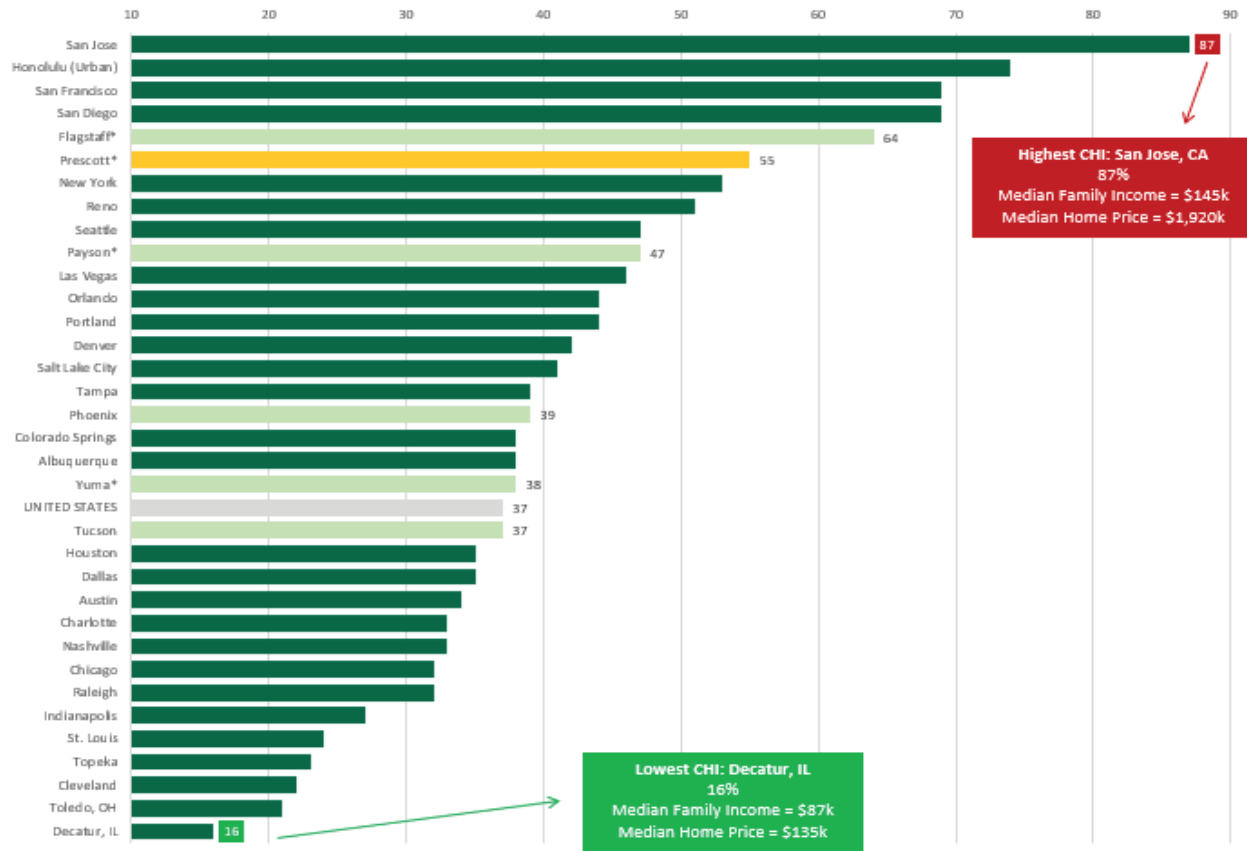
Source: US Bureau of Labor Statistics



This chart highlights a subset of the largest occupations in Yavapai County and is simplified for clarity; however, the pattern is consistent across the broader labor market. Employment is heavily concentrated in lower-wage occupations with higher automation risk, while occupations that offer higher wages and greater long-

term stability employ a smaller share of workers. This distribution points to a structural misalignment between current employment and opportunities for economic mobility. In response, Yavapai College continually evaluates existing and new programs to align offerings with occupations that support economic mobility.

Cost of Housing Index by Metro - Selected Areas (Q4 2024)



The most recent data indicates that Yavapai County’s cost of living is approximately 14% above the national average, driven primarily by rapidly increasing housing costs. According to the Federal Housing Finance Agency, home prices in the Prescott Metropolitan Statistical Area (MSA) have risen sharply over the past decade. A decade ago, home prices in the Prescott area were near the national average; today, they are approximately 43% higher.

Because income growth has not kept pace with rising home prices, housing affordability has declined substantially. The Cost of Housing Index (CHI), published by the National Association of Home Builders (NAHB), illustrates this imbalance. CHI measures the share of a typical family’s income required to afford a mortgage on a median-priced home.

Financial benchmarks generally suggest that households should spend no more than 30% of gross income on housing. In the Prescott MSA, which encompasses all of Yavapai County, the combination of a median home value exceeding \$500,000 and a median family income below \$90,000 results in a CHI of approximately 55%.

As shown in the chart, this places Yavapai County well above national norms and among the least affordable housing markets in the country. The gap between housing costs and income places sustained pressure on residents and limits economic mobility.

This imbalance between housing costs and income not only constrains household financial stability but also has direct implications for workforce availability, talent attraction, and long-term regional economic sustainability.



*Willow Lake
Prescott*



*Tim's Toyota Center
Prescott Valley*



Old Town Square, Cottonwood



YAVAPAI COLLEGE

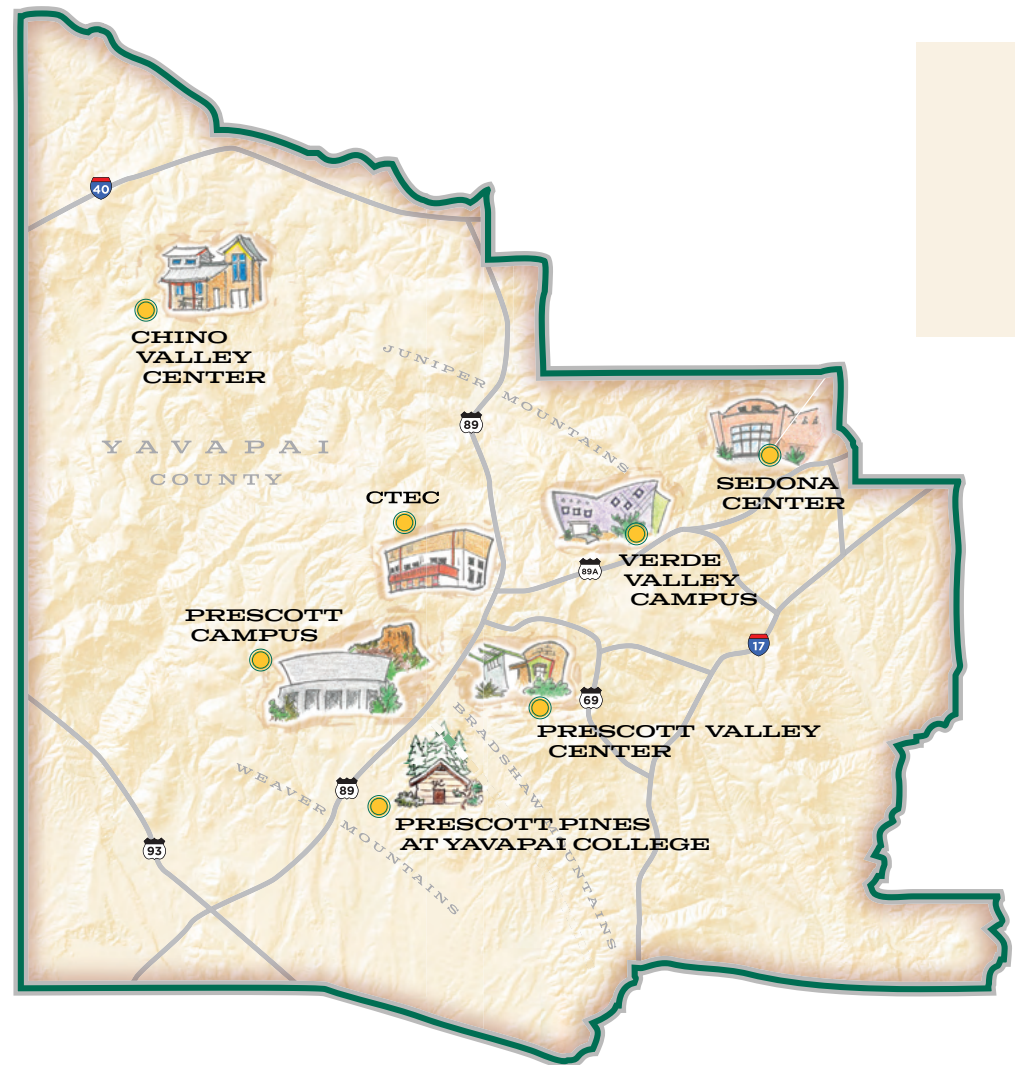
COLLEGE PROFILE

Yavapai College (YC) is governed by a locally elected five-member District Governing Board. Per the District Governing Board, “Yavapai College exists so communities within Yavapai County have access to and are equipped with the knowledge and skills to improve quality of life. The College will achieve these results at a cost [what YC pays to suppliers and employees] the Board believes is justifiable.”

To fulfill this charge, YC offers 39 associate degrees and 150 certificates in over 60 disciplines, including several career & technical fields which train students to enter the workforce directly. In FY24, YC launched its first two baccalaureate degrees—the BS in Business and the BS in Nursing—and in FY26, YC added the BS in Computer Science.

YC operates 2 full-service campuses, one in Clarkdale and one in Prescott, in addition to four Centers in Chino Valley, Prescott Valley, Sedona, and a Career Technical Education Center by the Prescott airport. In addition to classes, the two campuses offer a variety of support services to help students be successful. These include Admissions, Advising, Computer Commons, Disability Resources, Financial Aid, Centers for Learning and Innovation and Tutoring. YC’s newest location, Prescott Pines at Yavapai College, provides a limited amount of workforce housing as well as housing for students who are 21 or older.

Yavapai College is a comprehensive Community College, providing Adult Basic Education for students who did not finish high school allowing them to earn a diploma, Dual/ Concurrent courses to high school students who are ready for college-level classes, Developmental Education courses for high school graduates not ready for college level courses, General Education coursework, Career Technical Education courses, and Community Education non-credit classes to enrich students of all ages.



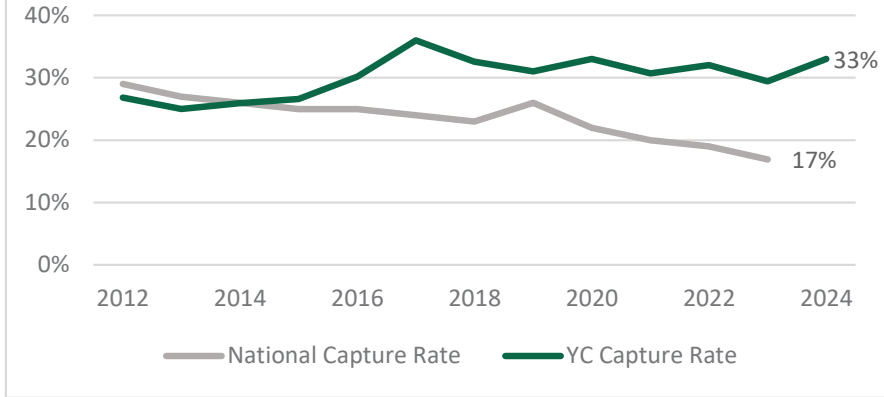
General education classes (core transfer subjects like math, English, science, social sciences & humanities that serve as building blocks for future learning) are offered at each location. These transfer to most four-year colleges and universities, allowing students to complete their Freshman and Sophomore years at a much more affordable price (what students pay to the college). In addition, every College location offers a variety of career and technical education (CTE) programs to meet local workforce needs. A handful of those academic programs go beyond local workforce training needs attracting students from across the state and beyond such as Aviation, Gunsmithing, Police Academy, and the Southwest Wine Center. The industry norm is to group these CTE programs into 16 CTE Clusters. A summary of which CTE Clusters are offered at each YC location is shown in the following table:

In addition to delivering courses in college facilities, YC has developed strong relationships with area high schools and the Career Technical Education Districts. YC offers Dual Credit courses, where high school students take college courses taught by high school teachers at the high schools. Similarly, YC offers Concurrent Credit courses, where high school students take College courses taught by college professors at college facilities or online. **These programs allow students to earn high school and college credits at the same time, saving the students and their families roughly \$1.5M per year.** Over time, these partnerships have grown high school student enrollments to roughly a third of total College enrollments. Moreover, these partnerships have encouraged more high school graduates to transfer to YC, with matriculation rates well above the national average.

The College in partnership with three area high schools offers a program called the Early College Academy (ECA) where high school upperclassmen come to a YC location to fulfill the majority of their high school requirements with college classes. The program has now grown to over 100 students. These high school students have an average GPA of 3.5 while taking an average of 26 credits per year. Most of these students will earn the Arizona General Education Core, 35 credits guaranteed to transfer to any Arizona public college or university, and some will even complete an associate's degree before they earn their high school diploma. In FY2025-26, 25 high school students completed an AGECE, 65 completed an associate degree, and 1 student completed a bachelor's degree.

CTE Clusters	Prescott Campus	Verde Valley Campus	Chino Valley	CTEC	Prescott Valley	Sedona	Online
Agriculture, Food & Natural Resources		X	X				
Architecture & Construction		X	X				
Arts, A/V Technology & Communications	X						X
Business Management & Administration	X						X
Education & Training	X						
Finance							X
Governments & Public Administration							X
Health Sciences	X	X			X		
Hospitality & Tourism						X	
Human Services	X						
Information Technology	X	X					X
Law, Public Safety, Corrections & Security	X	X		X			X
Manufacturing		X		X			
Marketing							X
Science, Technology, Engineering & Mathematics	X	X		X			
Transportation, Distribution & Logistics			X	X			

High School Matriculation from Yavapai County High Schools

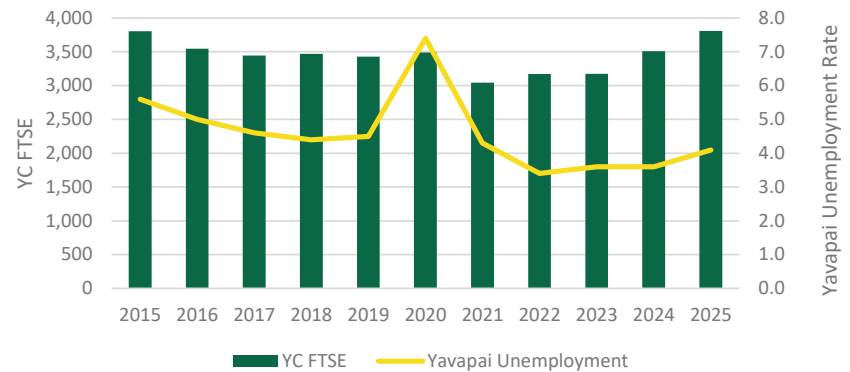


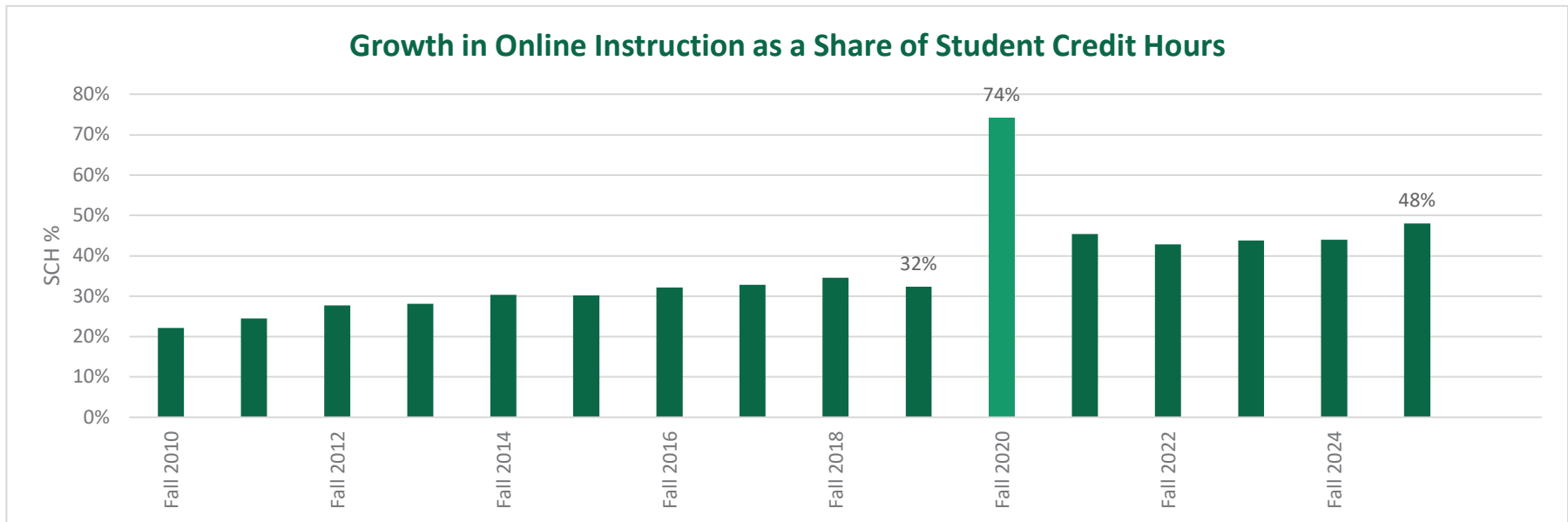
Source: AZ Department of Education, YC Institutional Research

Recent high school graduates are eligible to participate in the YC Promise, a nationally recognized scholarship which allows them to earn a tuition-free degree if they complete within 2 years. Approximately one-third (33%) of Yavapai County high school graduates enroll at Yavapai College within one year of graduation, a rate that consistently exceeds national benchmarks and reflects the College’s strong local pipeline.

As with most community colleges, there is a moderate correlation ($r=.36$) between YC enrollments (Full Time Student Equivalent or FTSE) and regional unemployment. As people get laid off, they tend to come to their local community college to improve their skills, then leave college (whether or not they complete their program) when they gain enough skills to re-enter the workforce. This relationship has become weaker as the college changes its processes to promote student retention.

Yavapai College Enrollment vs Yavapai County Unemployment Rate





Source: YC Institutional Effectiveness and Research

Online instruction has become a central delivery modality at Yavapai College. YC was an early adopter of online education, launching online offerings as early as Fiscal Year 2000, and has continued to invest in the technology, systems, and support services necessary to ensure quality delivery.

As shown in the chart, the share of student credit hours delivered online has steadily increased over time, rising from approximately 20% in 2010 to nearly half of all instruction in recent years. While the COVID-19

pandemic temporarily accelerated this shift, online enrollment has remained elevated, indicating a sustained structural change rather than a temporary disruption.

This trend reflects the needs of YC’s student population, the majority of whom are part-time adult learners balancing employment, family responsibilities, and other commitments. Online courses increase access and flexibility, allowing students to persist and complete programs. As a result, online delivery is not simply a convenience, but a critical component of how the College serves its students.

The REDC leads the College's economic development efforts, acting as an ambassador for workforce training programs and business/industry growth. The REDC catalyzes regional economic growth by partnering with business and education to support innovation, entrepreneurship, and talent development across Yavapai County. Its three pillars are: Business creation, expansion, and recruitment. Workforce training. Economic innovation & strategic partnership developments.

Finally, the College provides a variety of opportunities to engage in cultural activities. While this is primarily through the hundreds of different credit courses YC offers each year, YC provides affordable non-credit programming for people of all ages. The Osher Lifelong Learning Institute (OLLI) provides retirement-aged people the opportunity to explore new ideas and socialize with others. YC engages with grade school students through a variety of programming including the Curtain Up! performing arts series, and the College For Kids Summer Camps. YC fields several intercollegiate sports teams, providing a sense of spirit both on campus and in the community. Throughout the year, YC sponsors nationally touring shows to perform in our Jim & Linda Lee Performing Arts Center as well as other venues throughout the county.

Yavapai College is a great asset for the residents of Yavapai County and beyond, offering high-quality instruction in state-of-the-art facilities. The primary way YC ensures quality is by meeting the standards provided in the Higher Learning Commission's (HLC) Criteria for Accreditation. Accreditation is an essential form of quality assurance for colleges and universities, ensuring that the courses and programs meet agreed

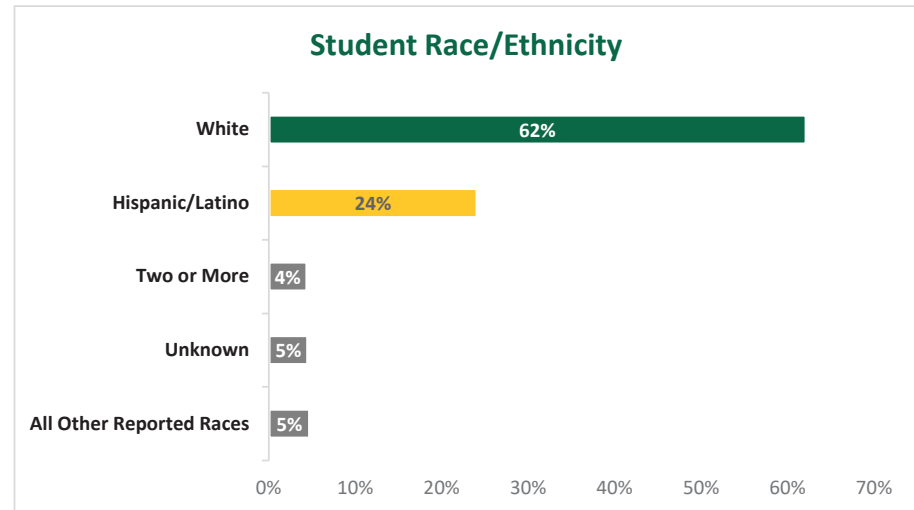
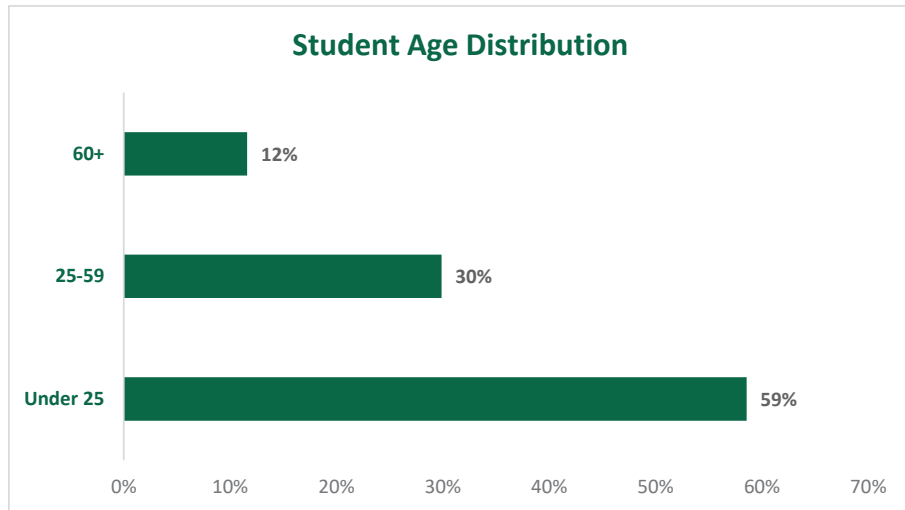
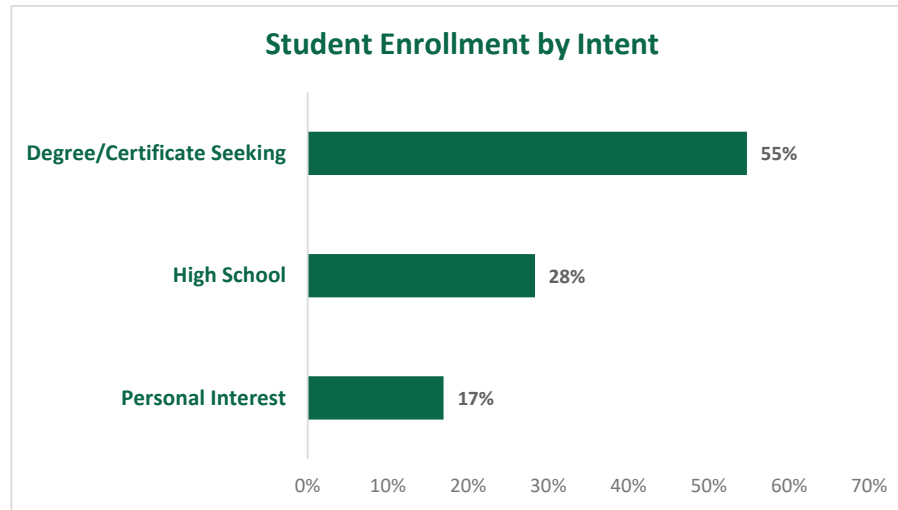
upon industry standards so that credits earned by students at one institution may be confidently accepted by other accredited institutions. Accreditation also demonstrates the school's legitimacy, thereby allowing students to have access to federal grants and loans. YC's accreditation was renewed by HLC for 10 years in 2023; moreover, YC is one of the minority of schools that will not require an interim visit during that time period. In addition to Institution-wide accreditation, several programs demonstrate their quality through additional 3rd party accreditation, including:

- Automotive (ASE)
- EMS (CAAHEP)
- Nursing (ACEN)
- Radiology (JRCERT)

Yavapai College serves a diverse student population that spans traditional, workforce-age, and high school students. Approximately 55% of students are seeking a degree or certificate, while 28% are high school students and 17% enroll for personal interest, reflecting the College's multi-faceted role in serving academic, workforce, and community learners.

As shown in the chart, most students (59%) are under age 25, including both traditional college-aged and high school students, while 30% are workforce-age adults (25–59) and 12% are age 60 or older. This distribution highlights YC's role in serving both early-stage learners and working adults.

The following charts summarize the kinds of students YC is serving.

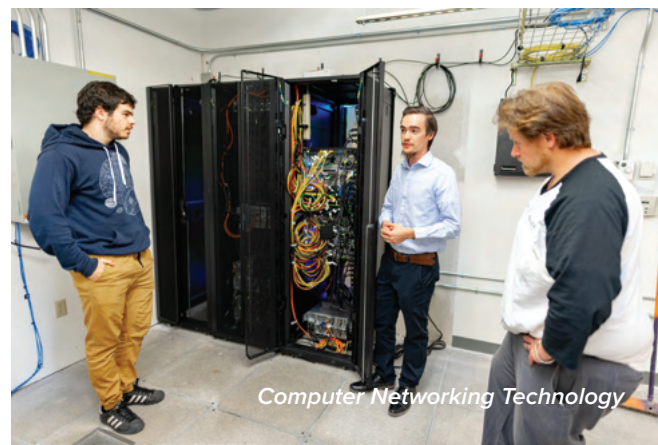




Welding



Jewelry

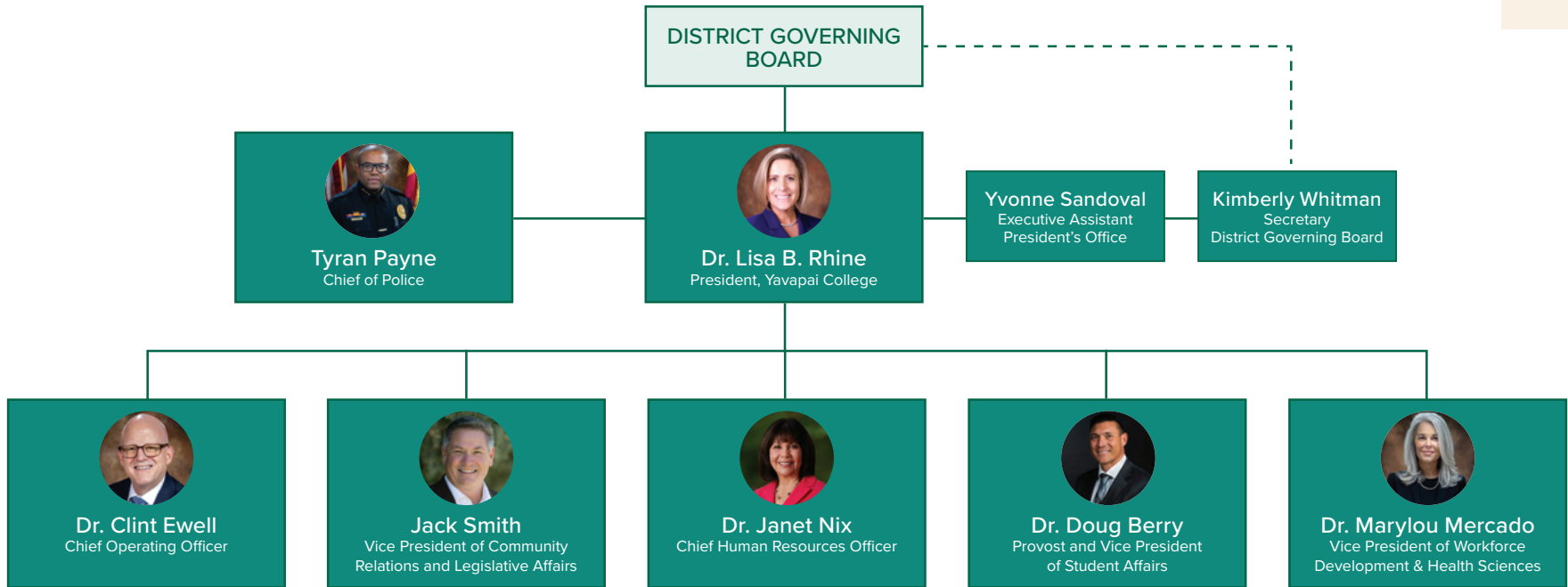


Computer Networking Technology



YAVAPAI COLLEGE ORGANIZATION

ORGANIZATION CHART



The District Governing Board has one employee: the President. Dr. Lisa Rhine has restructured the organization to create better outcomes for the various constituencies we serve. The major divisions of the college are described in more detail on the following pages.

PROVOST AND VICE PRESIDENT OF STUDENT AFFAIRS

In coordination with the VP of Workforce, the Provost is responsible for the planning, coordination, and oversight of Instruction at Yavapai College. This area includes the General Education coursework that transfers to other colleges and universities, as well as the Business and Computer Science programs. The Provost provides leadership to Articulation, the Centers for Learning & Innovation, Instructional Support, the Verde Campus & Sedona Center, as well as Athletics, Enrollment Management and Student Affairs.

Leadership Team

Dr. Doug Berry, Provost and Vice President of Student Affairs

Ms. Diana Dowling, AVP of Enrollment Management

Brooke Hickman, Project Manager

Mr. Tim Kneip, Athletic Director

Ms. Tania Sheldahl, AVP of Student Affairs and Dean of Students

Vacant, AVP Instructional Support



Graduation
Prescott

MAJOR BUSINESS UNITS

Athletics

Athletics play a unique role on college campuses, often serving as the “front porch” of the institution, inviting both students and community members alike to join the college family. Athletics has become an embedded part of the culture on many college campuses, providing a sense of school spirit and camaraderie, that helps all students to engage with their friends and consequently their studies. Athletics offers student-athletes a pathway to degree completion by cultivating a passion for their sport and by providing service to the community.

Enrollment Management

The Enrollment Management Department provides comprehensive services to new and continuing students through several areas including Admission, Financial Aid, Recruitment, the Registrar’s Office, and Early College (Dual Credit and Concurrent Credit). The goal of Enrollment Management is to help students make an informed decision on where to attend college, then help students who choose YC to find a program that fits their goals and expectations. The department works diligently to provide sound and consistent advising in regard to academic programs, financial options, and flexible course schedules that fit students’ other commitments.

Student Affairs

The Student Affairs department provides academic and non-academic support to students as they progress toward completing their certificate or degree. This area leads several different departments to engage and support students. Student Activities creates opportunities for students to engage outside of the classroom such as clubs, Student Ambassadors, Students of Leadership, Student Government, and



Women's Softball

a variety of events. The Testing Center offers various academic and industry assessments for students, prospective students, and community members. Disability Services ensures students have equal access and reasonable accommodations to all Yavapai College programs and activities. Residence Life provides semi-autonomous housing option for those students seeking to live on campus. Veterans Education and Transition Services provides support services for student veterans and military family members. In addition, Student Affairs is responsible for addressing student conduct issues.

Math, Science & Technology

Areas of study include, Math, Biology, Chemistry, Physics, Geology, Geography, Business, and Computer Sciences.

Instructional Support

The Instructional Support Office oversees academic processes including matriculation, assessment, the College catalog, curriculum, distance education, class scheduling and program review. Instructional Support also play a key role in establishing Early College partnerships with local high schools, charter schools, CTED's and home school families to allow high school students to earn college credits. Finally, this area manages the Centers for Learning an Innovation, YC's re-envisioned digital libraries which include tutoring services, technological support for students and employees, collaboration spaces, as well as lab spaces to create and/ or experience supplemental learning through augmented and virtual realities

Visual and Performing Arts

Areas of study include Dance, Music, Theater, and the Visual Arts. This area manages the Jim and Linda Lee Performing Arts Center, a 1000+ seat venue which showcases the work of several college departments including several vocal and instrumental concerts, an annual musical, the Prescott Film Festival, and several Art exhibits. The venue is home

to many local community favorites including the Prescott Pops, the Yavapai Symphony, and the Arizona Cowboy Poets Gathering. Finally, the Yavapai College Foundation sponsors 15-20 nationally touring artists to educate, entertain, and inspire a variety of audiences every year.

Verde Valley Campus and English, Humanities & Social Sciences

Areas of study include Behavioral & Social Sciences, Communications, Creative Writing, Education, English, History, Modern Languages, Philosophy, and Religion. This area is responsible for the operations of the Sedona Center and the Verde Valley Campus.

The Dean also oversees the Peer Writing Center, and Community Education which provides year-round non-credit enrichment classes for adults and children. Noncredit programming includes College for Kids summer programming, Edventure travel packages, and the Osher Lifelong Learning Institute at Yavapai College (OLLI) which provides member led classes designed for adults 50 years and older.



*Southwest Wine Center
Verde Valley Campus*



OLLI



Mathematics



Performing Arts



Prescott Film Festival

COMMUNITY RELATIONS AND LEGISLATIVE AFFAIRS

The Vice President of Community Relations and Legislative Affairs focuses on external constituency groups. Community Relations includes Government Relations, Marketing & Communications, and the Yavapai College Foundation.

Leadership Team

Mr. Jack Smith, *VP of Community Relations & Legislative Affairs*

Ms. Cynthia Gentle, *Project Manager*

Mr. Richard Hernandez, *Executive Director of Legislative Affairs*

Ms. Nicole Kennedy, *Chief Development Officer*

Mr. Chris Minnick, *Executive Director of Marketing*



MAJOR BUSINESS UNITS

YC Foundation

The Yavapai College Foundation's goal is to support the College's objectives and activities through resource development as well as promote community awareness of the College and its programs. Through philanthropic activities, the Foundation helps enhance educational, cultural, and social and economic activities within the YC community through raising funds for student scholarships, faculty development and programs that enrich both the College and the community.

Legislative Affairs

Legislative Affairs works with local, state, and federal policymakers to better understand how the college can help them to achieve their objectives, and vice versa.

Marketing & Communication

The Marketing and Communications area promotes academic programs and shares college news with the community. The department also coordinates internal College communication.



Recruitment Event



First Day of Semester



Marketing



Machining



Health & Wellness
Yoga



Navapai College
Student Government Association

FINANCE & ADMINISTRATIVE SERVICES

The Chief Operating Officer leads the Finance & Administrative Services team to provide effective and efficient campus services. Major Business Units include Business Services, Facilities, Information Technology Services, Southwest Wine Center, and Institutional Effectiveness & Research.

Leadership Team

Dr. Clint Ewell, *Chief Operating Officer*

Patrick Burns, *Chief Information Officer*

James Crockett, *Executive Director of Facilities*

Mr. Ryan Avery Follensbee, *Director of Viticulture & Enology Operation*

Dr. Michael Merica, *Director of Institutional Effectiveness and Research*

Wendy Swartz, *Controller and Chief Business Officer*

Ivonne Zuniga, *Director of Strategic Initiatives and Special Projects*



MAJOR BUSINESS UNITS

Business Services

The mission of the Business Services Team is to provide a system of sound fiscal management and exceptional support services that support the overall mission of the college, protects the integrity of the institution, and exceeds the expectations of college stakeholders.

- Accounting
- Bookstore (managed by Follett)
- Budget
- Bursar (Accounts Receivable)
- Mail, print & distribution services
- Payroll
- Purchasing

Facilities Management

The Facilities Department's goal is to ensure that students, visitors, faculty, and staff are provided a safe, clean, well-maintained, and comfortable environment. Services include:

- **Capital Projects**
 - Planned Maintenance: reinvest in buildings and infrastructure to lower the total cost of ownership by extending the useful life
 - Capital Improvement Projects: based primarily on [Facilities Master Plan](#), manage contractors to renovate existing space or build new space to meet the emerging needs of students and the community
- **Custodial Services:** Provide janitorial services and event support throughout the district.
- **Groundskeeping:** create a welcoming campus environment and address snow removal as needed.
- **Maintenance:** perform preventative maintenance tasks, respond to system failures, operate central plants.

Information Technology Services

The Information Technology Services (ITS) Department provides technology support and services to the students, faculty, and staff of Yavapai College. The department is organized into four teams that manage the efficient use of technology resources throughout the district.

- The Technology Support Services (TSS) team is the front-line for customer support (Helpdesk), and they maintain all of the computer workstations and labs at YC. TSS also is responsible for designing, implementing, and maintaining all of the district's presentation (audio/visual) systems.
- The Application Development team supports the College's enterprise system (Banner). This team also develops custom applications and integrations that support the evolving needs of stakeholders such as the student and employee portal, or the ERP permissions systems.
- The Systems and Network Services (SANS) team is responsible for maintaining the College's network infrastructure, server environment, desktop virtualization, and telephony system.
- Cybersecurity is responsible for protecting YC's information assets by utilizing the latest tools and best practices.

The [IT Strategic Plan](#) provides more details about this Business Unit and its priorities.

Institutional Effectiveness and Research

The Office of Institutional Effectiveness and Research (IER) offers a broad array of decision support services to all areas of the College and external agencies as necessary. Services include developing tools to support evidence-based decision-making, performing research and predictive analyses.

Southwest Wine Center

The Southwest Wine Center at Yavapai College is a premier wine industry and community resource, offering a comprehensive hands-on education from vineyard-to-bottle with programs in enology, viticulture and business/entrepreneurship through its estate vineyard, teaching winery, fully-operational tasting room, and region-wide wine industry research epicenter.

Strategic Initiatives and Special Projects

This area co-develops an annual update of the YC Strategic Plan. It also manages some of Auxiliary services including Property Management (Workforce Housing and Apartment-style housing for adult students) and the Family Enrichment Center (childcare services). In addition, this area focuses on advancing major projects at the department, division, or collegewide level.



HUMAN RESOURCES

The Chief Human Resources Officer leads the team responsible for helping the college to maximize its potential by optimizing our workforce.

Leadership Team

Dr. Janet Nix, *Chief Human Resources Officer*

Ms. Billie Norris, *Coordinator*

Ms. Aimee Novak, *Executive Director of Culinary Experience*

Human Resources

Yavapai College is a service organization, and our people are the key to creating value for our students and our community. As such, Human Resources is a vital function ensuring that our employees are well supported through:

- Attracting, retaining, and engaging talented employees
- Designing market-competitive Compensations & Benefits
- Enhancing Employee Relations
- Creating a safe working environment
- Training & Development opportunities
- Performance Management systems

Dining Services

At the Prescott Campus, the College operates a restaurant in support of residential students, commuter students and college employees. The Eatery is a new food service model focusing on providing good-tasting food, that is locally sourced and high-nutrition, while creating minimal food waste. The College also operates a Food Truck to help promote the College and the Eatery at local events such as the Farmer's Market, or special events at the College. This year, the College will open a café inside the Center for Learning & Innovation to provide grab and go breakfasts and lunches.

CAMPUS SAFETY

Leadership Team

Mr. Ty Payne, *Chief of Police*

Ms. Megan Felton, *Detective Sergeant*

Ms. Shelby Thomasson, *PA Sergeant*

The Yavapai College Campus Safety Department is a full-service police department staffed by certified Arizona Peace Officers, trained Safety Officers and professional staff. In addition to safeguarding the \$176,000,000 of College assets located at 7 locations throughout the county, the primary role of these officers is to serve and protect 1,000 employees, 10,000 students, and tens of thousands of visitors who come to YC locations each year.

Campus Safety has the same responsibilities and authority as municipal, county, or state police agencies. They work to promote safety and responsibility through prevention and awareness, training, networking, and, when necessary, enforcement of the law. In 2021, YCCS was one of the first community college police departments to become accredited by the International Association of Campus Law Enforcement Administrators.

WORKFORCE DEVELOPMENT AND HEALTH SCIENCES

In coordination with the Provost, the VP of WDHS is responsible for the planning, coordination, and oversight of Instruction at Yavapai College.

Leadership Team

Dr. Marylou Mercado, *VP of Workforce Development & Health Sciences*

Mr. Jason Ebersole, *Lead Dean of Workforce Development and Health Services*

Mr. Chris Kawabata, *Director of Adult Basic Education*

Ms. Sharal Patinathan, *Project Manager*

Ms. Dawnette Polland, *Director of the American Job Center*

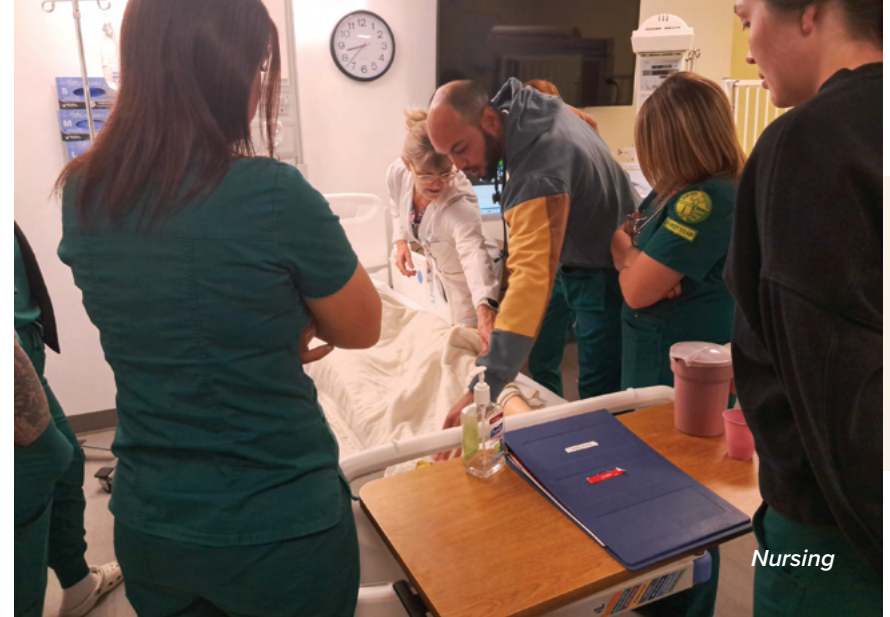
Vincent Redgrave, *Executive Director for Industry & Innovation*

Career & Technical Education

Areas of study include Advanced Manufacturing, Agriculture, Animal Care, Automotive, Brewing, Commercial Driving, Construction, Diesel, Electrical, Electronics, Engineering, Film & Media, Fire Science, Gunsmithing, HVAC, Industrial Maintenance, Plumbing, Welding, and Wine. This area is responsible for the operations of the Chino Valley and the Career and Technical Education Centers.

Health Sciences

Areas of study include Allied Health, Emergency Medical Services, Nursing, Physical Education, and Radiology. Nursing includes a variety of training ranging from a certificate as a Certified Nursing Assistant, to a 2-year Associates Degree as a Registered Nurse, to a 4-year Bachelor of Science degree in Nursing.



Yavapai Works at Yavapai College

Yavapai Works unites education, training, and employment services to strengthen our local economy and open doors of opportunity for every resident. Services include

- **Adult Basic Education:** A US Department of Education funded program that helps students who didn't finish high school to earn a General Equivalency Diploma
- **American Job Center:** a Department of Labor funded program providing unemployed and underemployed adults, young adults, low income individuals and dislocated workers with career counseling and job training services
- **Regional Economic Development Center:** helping attract, create and grow companies to encourage workers to remain in Yavapai County and bring economic vitality to the region
- **Small Business Development Center:** P\ a US Small Business Association program that provides free or low cost advising, training, and resources to help small businesses start, grow, and succeed.

Budget by Major Business Unit & Fund for FY2026-2027

(in thousands)

	General	Auxiliary	Restricted	Plant	Debt
District Governing Board	\$ 340	\$ -	\$ -	\$ -	\$ -
President	\$ 908	\$ -	\$ -	\$ -	\$ -
Campus Safety	\$ 1,217	\$ -	\$ -	\$ 190	\$ -
HR	\$ 1,089	\$ -	\$ -	\$ 27	\$ -
Provost	\$ 998	\$ -	\$ -	\$ -	\$ -
Science, Math & Computer Tech	\$ 4,375	\$ -	\$ 350	\$ 79	\$ -
Business	\$ 1,640	\$ -	\$ -	\$ -	\$ -
Education & Learning Innovation	\$ 2,707	\$ -	\$ -	\$ 44	\$ -
Instructional Support	\$ 1,644	\$ -	\$ 237	\$ -	\$ -
Visual & Performing Arts	\$ 2,532	\$ 371	\$ 84	\$ 93	\$ -
Scheduling & Early College	\$ 283	\$ -	\$ -	\$ -	\$ -
Verde Valley Operations; English, Humanities & Social Sciences & Lifelong Learning	\$ 4,290	\$ 1,224	\$ -	\$ 17	\$ -
Community Relations & Student Development	\$ 638	\$ -	\$ -	\$ -	\$ -
Athletics	\$ 2,724	\$ 262	\$ -	\$ 15	\$ -
Enrollment Management	\$ 5,329	\$ -	\$ 8,141	\$ -	\$ -
Marketing & Communications	\$ 1,226	\$ -	\$ -	\$ 5	\$ -
Student Affairs	\$ 3,461	\$ -	\$ 22	\$ 15	\$ -
Residence Halls & Food Services	\$ -	\$ 2,544	\$ -	\$ 25	\$ -
YC Foundation	\$ 183	\$ 622	\$ 878	\$ -	\$ -
YCPAC Operations	\$ -	\$ 1,392	\$ -	\$ 185	\$ -
Workforce & Health Science	\$ -	\$ -	\$ 448	\$ -	\$ -
Career & Technical Education	\$ 7,193	\$ 458	\$ 1,094	\$ 284	\$ -
Health Sciences	\$ 5,437	\$ 25	\$ 3,193	\$ 238	\$ -
REDC	\$ 195	\$ 17	\$ 483	\$ -	\$ -
SBDC	\$ -	\$ 224	\$ 250	\$ -	\$ -
Finance & Administrative Services	\$ 531	\$ -	\$ -	\$ -	\$ -
Business Office	\$ 2,430	\$ -	\$ -	\$ 23	\$ -
Facilities	\$ 7,699	\$ -	\$ -	\$ 507	\$ -
Capital Improvement, Planned/ Unplanned Maintenance, FF&E	\$ 596	\$ -	\$ -	\$ 10,900	\$ -
Employee/Student Housing & Summer Conferences	\$ -	\$ 550	\$ -	\$ 40	\$ -
Information Technology	\$ 6,796	\$ -	\$ -	\$ 1,161	\$ -
ERP SW Implementation	\$ 1,145	\$ -	\$ -	\$ -	\$ -
Institutional Research	\$ 667	\$ -	\$ 7	\$ -	\$ -
Contingency	\$ 1,586	\$ 100	\$ -	\$ 1,051	\$ -
District Other	\$ 680	\$ -	\$ 3,031	\$ -	\$ 1,644

The following Table shows the relationship between each of Yavapai College's Major Business Units (MBU) and Funds, indicating where each MBU is budgeted.

College Divisions and their Major Budget Units create objectives in support of the overall College Mission, Vision & Strategic Plan then monitor their performance. The following table outlines these objectives and measures:

Division	Major Business Unit (MBU)	MBU Objective	Key Performance Output	Target	Actual	
Community Relations & Student Development	Athletics	Succeed on the court	How many YC teams qualify for regionals	4	2	
		Succeed in the classroom	Scholarship fundraising	\$ 500,000	\$ 350,000	
			Percent of Athletes with 3.0 GPA	55%	73%	
			Percent of athletes that earn Associate Degree in 2 years or Transfer	80%	85%	
	Enrollment Management	Recruit & Enroll Students	Increase average credits earned per HS grad		15	13.4
			Affordability Index below National Community College		4.9%	3.6%
			Grow proportion of Hispanic full-time student enrollment		25%	27%
			Percentage increase SCH in new Enrollments		3.0%	1.30%
	Marketing	Improve internal communications	Energage score: Closely aligned		78%	75%
	Student Affairs	Increase enrollments	Average sch per Continuing student per term		12	9.3
Part Time Retention at 75th percentile				75%	46%	
Full Time Retention at 75th percentile				75%	66%	
YC Foundation	Improve student resources	Direct Annual Financial Support of Yavapai College		\$ 2,000,000	\$ 2,600,000	
		5 Year Average Annual Endowment Growth		\$ 1,000,000	\$ 1,750,000	
Finance & Administrative Services	Business Office	Financial Sustainability	Material audit findings	0	0	
			GFOA ACFR	Yes	Yes	
			GFOA Budget	Yes	Yes	
	Facilities	Provide a safe and welcoming environment	Net Asset Value percentile in top quartile		83%	87%
Room utilization				65%	72%	
ITS	Provide a safe and welcoming environment	Helpdesk Ticket resolution within Service Level Agreement time		85%	88%	
President	Police		Maintain IACLEA Accreditation	Yes	Yes	
Human Resources		Engagement	Participation rate in climate survey	68%	83%	
			% Employees Engaged	68%	77%	
Academic Affairs	Academic Affairs		Minimize Class Cancellations	5%	4.0%	
			Course Success Rate	80%	84%	
			Student Course Evaluation	4.25	4.42	
			Average Class Size	20-30	16.4	
			% Open Educational Resource & Low Cost sections	60%	53%	
Workforce Development	Prepare for Living Wage Job	3 Year Average Licensure Pass Rate		85%	93%	

NOTE: Noel Levitz (NL) Student Satisfaction Inventory measures how Important various college services are to students and student Satisfaction with those services. The NL measures indicate the gap between Importance and Satisfaction with a target of zero. Green highlight indicates statistically higher Satisfaction at YC than national community colleges, and pink indicates lower Satisfaction.

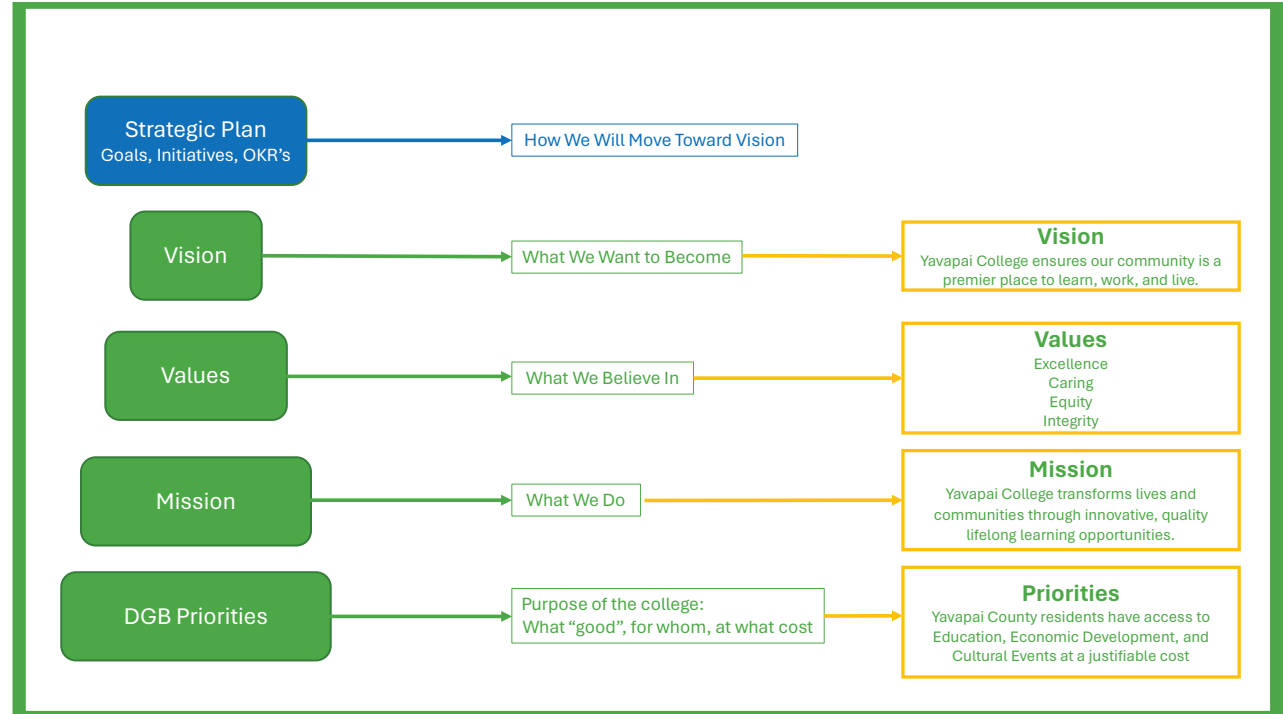


YAVAPAI COLLEGE STRATEGIC PLAN

FUTURE FOCUSED. COMMUNITY INSPIRED.

STRATEGIC PLANNING

Within a Policy Governance framework, the Yavapai College District Governing Board has established [Priorities for the College](#). The DGB Priorities are the foundation upon which the Strategic Plan is built.



Process

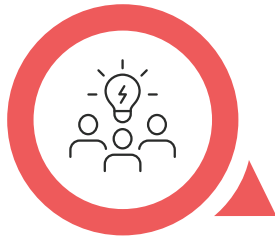
Given the pace of change, the College's practice is to create a rolling three-year plan that is updated annually to ensure it addresses the current environment.

1. Collaborative Planning Framework

Strategic Planning at Yavapai College operates within a Collaborative Planning Framework. As shown in the diagram below, key leadership and planning groups work together to advance a unified vision and shared future. Each group plays a distinct yet interconnected role in shaping, implementing, and sustaining the Strategic Plan.

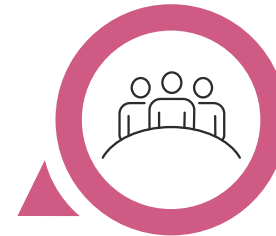
Executive Leadership Team

VISION, VITALITY & VIABILITY
ENSURES COHESIVE DIRECTION
& SPONSORSHIP



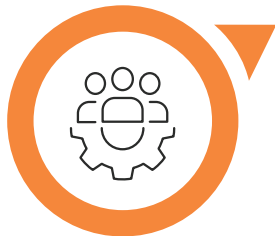
Senior Leadership Team

ACHIEVEMENT & ALIGNMENT
ENSURES IMPLEMENTATION &
LEVERAGES RESOURCES
EFFECTIVELY



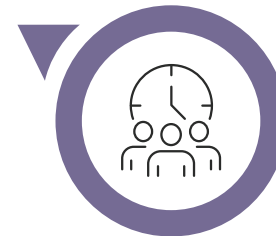
Strategic Planning Committee

CLEAR ROADMAP
ENSURES COHESIVE STRATEGY,
METRICS & ACCOUNTABILITY



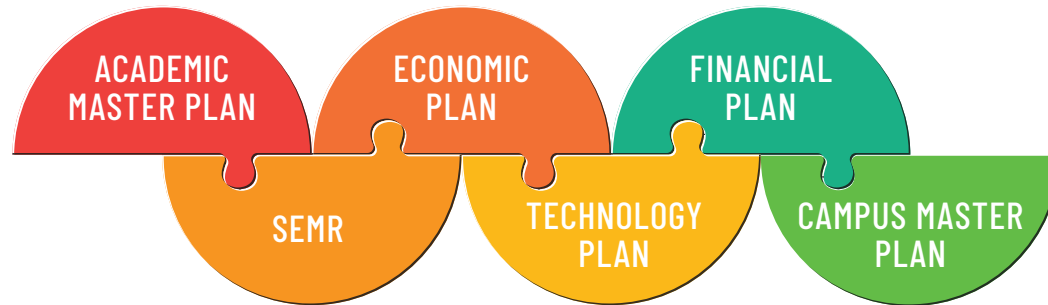
WIN Coalition

FUTURE FOCUS
ENSURES AGILITY IN
A CHANGING LANDSCAPE



2. Governance and Leadership

Executive sponsorship of the Strategic Planning Committee (SPC) is provided by the Chief Operating Officer. The committee is co-chaired by the Associate Dean of Articulation & Academic Partnerships and by the Director of Strategic Initiatives & Special Projects. The SPC includes members from the Faculty Association, the Staff Association, and the Student Government, ensuring broad input through shared governance. To help ensure aligned efforts throughout the College, the Strategic Planning Committee (SPC) has representatives from the College's major planning committees, including:



3. Planning Process and Inputs

The SPC employs an evidence-based, collaborative planning process that reviews internal and external information, including:

- Review of District Governing Board (DGB) Priorities
- YC Priorities, Mission, Vision, Values, and current Strategic Plan Initiatives

- Analysis of institutional KPIs, internal plans, survey results from employees and students
- Environmental Scan of what is happening in the world around us today, prepared by Institutional Effectiveness & Research
- The WIN (What Is Next?) Coalition presents potential signals of emerging trends from the world around us to help the College remain agile and future-ready.

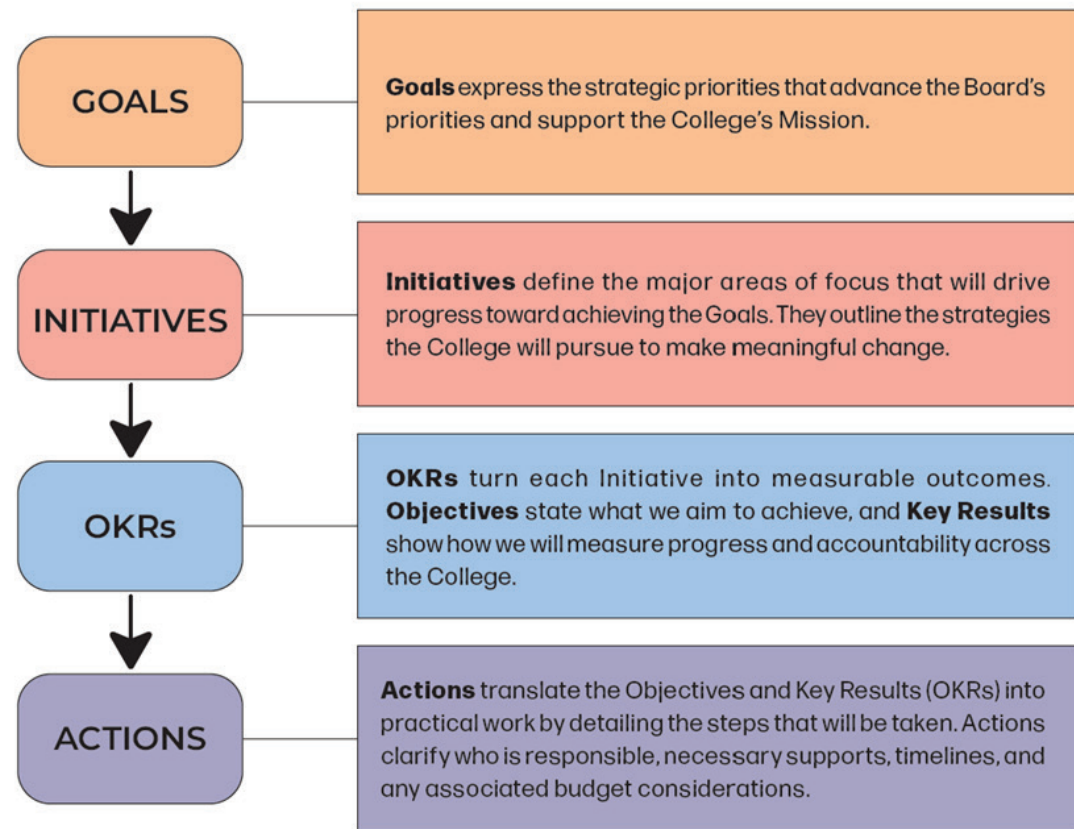
4. SPC Responsibilities and Ongoing Work

The SPC Charter key responsibilities included:

- A comprehensive SWOT analysis (Strengths, Weaknesses, Opportunities, Threats)
- Update the College's Strategic Goals, Initiatives, Objectives and Key Results (OKRs), and Actions.
- Ensure alignment of the College's various planning teams' actions with the overarching Strategic Plan
- Improve communication systems to promote internal knowledge of the Strategic Plan
- Develop a process to improve how we monitor progress and assess the effectiveness of our Strategic Initiatives

The outputs of the Strategic Planning Process is the Strategic Plan, which consists of:

PLANNING TERMINOLOGY



FY27 GOALS:

- Fostering **Belonging** for students and employees to feel welcomed, valued, and supported.
- Better Serving **Adult Learners** by offering accessible classes and support services.
- Delivering Programs that Lead to **Living Wage** Jobs
- **Delivery** of classes and services in Flexible and Innovative Ways
- Strengthening **Foundational Capability** to support long-term institutional sustainability

FY27 COLLEGE-WIDE INITIATIVES

FY27 Strategic Initiatives		Belonging	Living Wage	Adult Learners	Delivery	Foundational Capability
A	Artificial Intelligence		X			X
B	Improve Part-Time Student Success	X		X	X	
C	Prison Education Program	X	X	X	X	
D	Academic Program Prioritization				X	
E	Provide Workforce Training to growth industries		X			
F	Develop an operational data strategy					X
G	Workforce Housing					X
H	Public Relations & Marketing					X
I	Security					X

Artificial Intelligence – Integrate ethical AI use across curriculum and build a responsible AI culture.

Part-Time Student Success – Improve retention, course success, and completion through targeted supports (advising, tutoring, childcare, etc.).

Prison Education Program – Expand access to online, PELL-eligible bachelor’s degrees.

Academic Program Prioritization (shared initiative) – Evaluate programs to sustain, grow, right-size, or sunset.

Workforce Training – Integrate ethical AI use across curriculum and build a responsible AI culture.

Operational Data Strategy – Improve data quality, accuracy, and decision-making tools.

Workforce Housing – Develop attainable housing options for employees.

Security – EStrengthen campus safety through improved processes and technology.

Public Relations & Marketing – Promote YC’s impact and expand reach, including out-of-state and online students.

Additional evidence of our Strategic Planning Process can be found on the [Strategic Planning](#) page of the Yavapai College Website. This includes a summary of the [Strategic Plan](#) identifying the College’s updated Goals and Initiatives.



Early College Academy
Verde Valley Campus

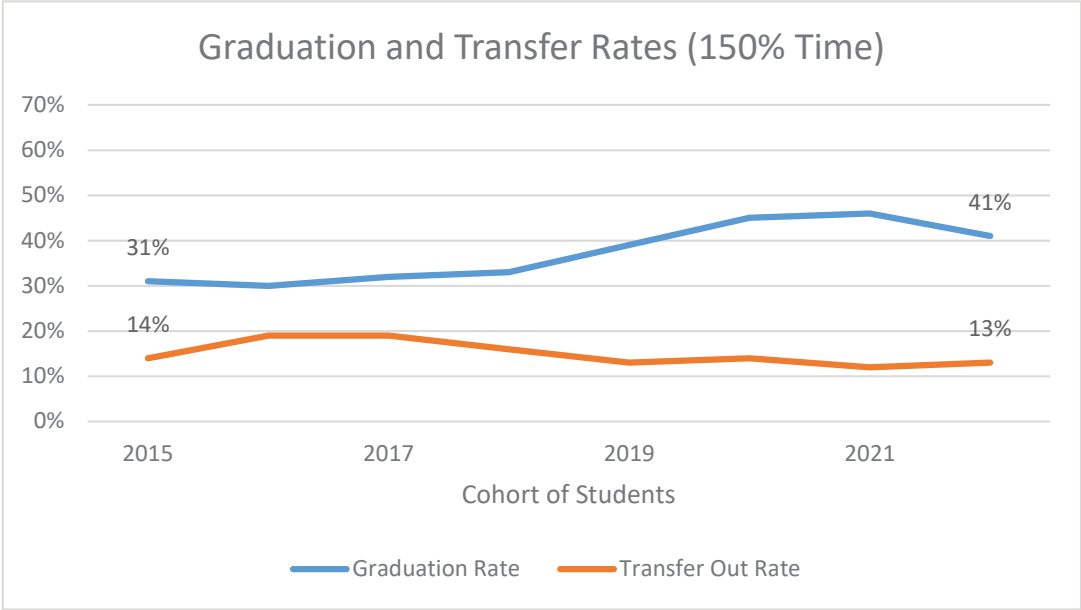
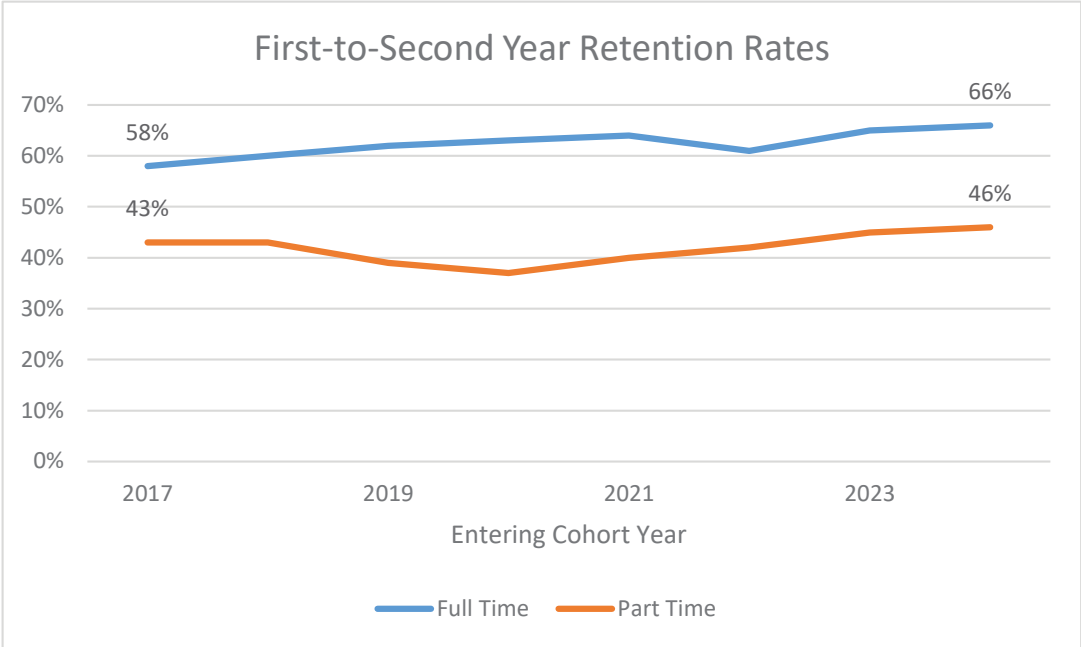


Motorcycle Mechanics



Advanced Manufacturing
Verde Valley

The College has several Key Performance Indicators; however, the two that best represent Student Success are 1) Retention Rates 2) Graduation & Transfer Rates



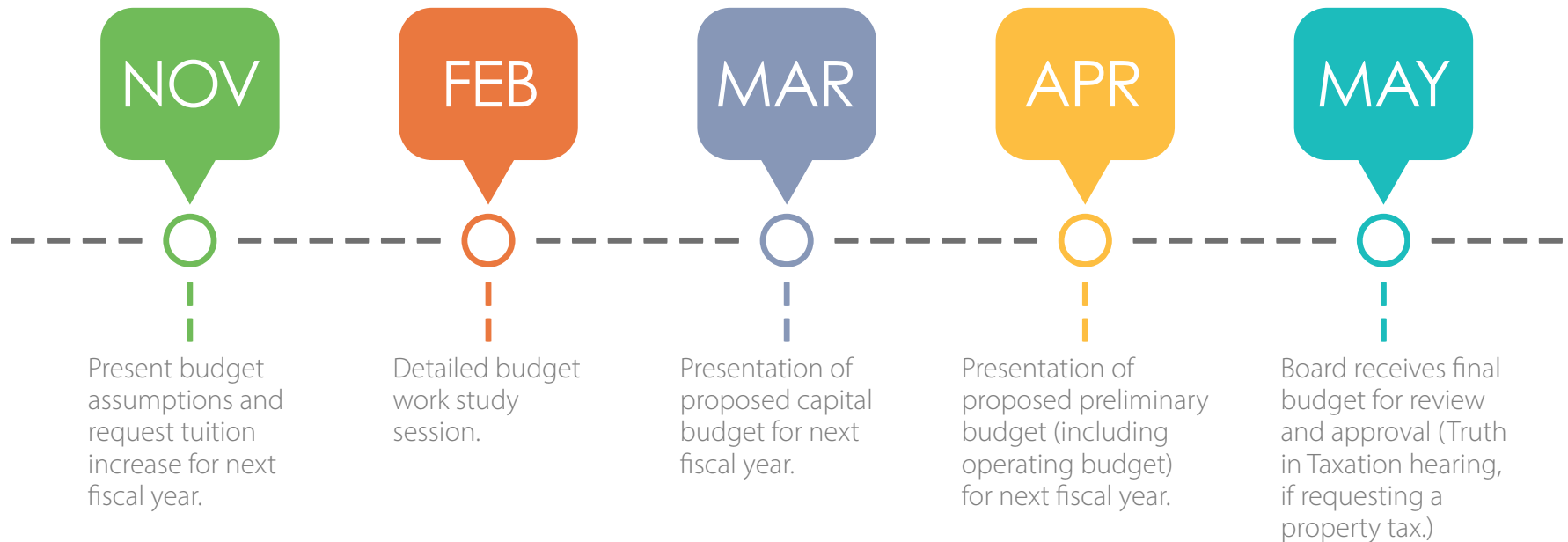


YAVAPAI COLLEGE BUDGET

BUDGET

Annual Budget Process

The official YC budget begins July 1 of each year. YC conducts a series of meetings throughout the year to ensure a new budget is ready for DGB approval each May.



The formal budget process begins with the District Governing Board (DGB) in November, when Budget Assumptions are shared. Also in November, the DGB is asked to approve Tuition and Fee increases for the following Fiscal Year, so that Financial Aid packaging may commence when the FAFSA process opens in November of the current Fiscal Year.

In November, the annual Environmental Scan is reviewed with the DGB, providing necessary context for upcoming budget discussions. Then in February, YC holds a half-day Budget Work Study Session with the DGB. Time is spent discussing revenue and expense trends, as well as upcoming financial and strategic challenges for the College.

During the March DGB meeting, YC discusses capital budgets with the DGB. In April, a preliminary budget is shared with the DGB. Based on feedback received at that meeting, a final budget is brought to the May DGB meeting for approval.

Each one of this series of budget presentations is posted on the [Budget](#) website for any interested people who were unable to attend. Similarly, a video recording of each DGB Meeting is recorded and posted on the [DGB](#) website. The final budget is advertised in the major newspapers and published on the website in advance of the meeting as proscribed by [Arizona Revised Statute \(ARS\) 15-1461](#).

The DGB also has the ability to raise property taxes each year pursuant to [ARS 42-17](#). In years where YC plans to ask for a property tax increase, the College follows the regulations outlined in ARS. Similar to the transparency requirements for the budget, YC also must advertise that it will hold a Truth in Taxation Hearing where the DGB will consider a tax increase—in addition to approving the College budget—as part of their duty to represent county residents. By YC tradition, this hearing takes place on the same day in May as the budget approval meeting.

Once approved by the DGB in May, YC budget staff enter the budget into our computerized accounting system, in time for the new Fiscal Year which commences on July 1st.



Budget Adjustments

After the adoption of the budget for a particular fiscal year, it may be necessary for YC to transfer budget amounts between Organizations (departmental cost centers) or Functions within a Fund. No DGB action is required as long as the transfer does not change the total expenditure in that Fund. Functions and Funds are defined in the Glossary section.

Budget Controls

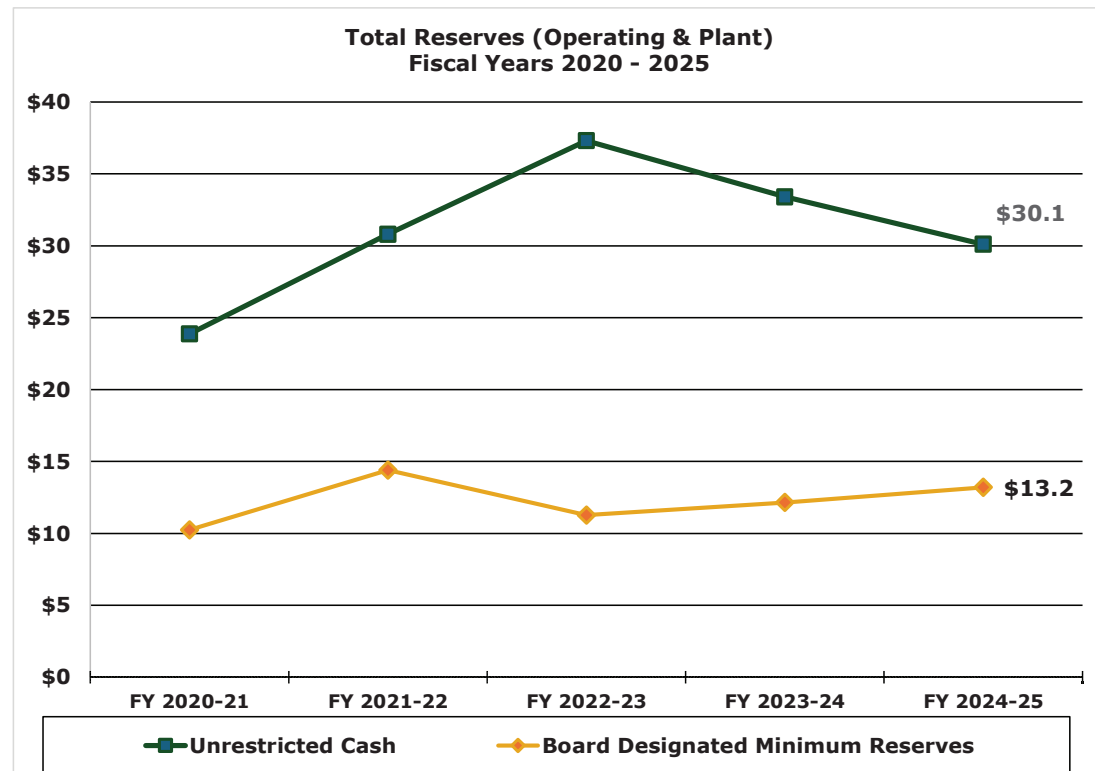
During the year, budgets are monitored on a monthly basis. Department managers are expected to review budget reports for their areas. The Budget Director has developed exception reports to help identify budgetary issues, allowing the Director to take action if needed. The Controller shares budget information with the DGB on a monthly basis as well.

In addition, the purchasing system provides a secondary level of control: only a limited number of people have access to the requisition system, requisitions must be approved and requisitions without sufficient funds are flagged for further reviews.

Finally, the College has a robust position control system which allows it to ensure that vacant positions are budgeted before the position request is forwarded to the Executive Leadership Team (ELT) for approval. All full-time General and Auxiliary fund positions are reviewed and approved by the ELT prior to posting the position. Part-time positions or grant funded positions are excluded from this ELT review process.

Balanced Budget

Throughout its history, YC has submitted balanced budgets to the DGB for approval. The budget is technically balanced when total annual expenditures do not exceed total projected revenues plus other sources (e.g. fund balance). However, YC is committed to creating a structurally-sound balanced budget by funding recurring expenses (such as salaries and benefits) with recurring revenues (such as tuition or property taxes). YC uses non-recurring resources (such as fund balance) to fund one-time expenses (such as capital). YC's ability to consistently exceed the minimum reserves called for in Board Policy 204 are evidence of our ability to balance our budget.



Basis of Accounting and Budgeting

The College maintains its general ledger on a cash and accrual basis throughout the year. Significant items are accrued at month-end so that the reports of revenues and expenditures provided to leadership and the DGB are more meaningful. At year-end, the financial statements are prepared under the full accrual basis of accounting, in accordance with Generally Accepted Accounting Principles (GAAP), as presented in the College's audited year-end financial statements. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred.

The College's basis of budgeting is generally the same as the College's basis of accounting described above excluding items such as the depreciation of capital assets and principal payments on debt. The Plant fund budget reflects the anticipated purchase of capital assets rather than the annual depreciation expense and the Debt fund budget includes both the principal and interest expense payments on the College's bonds.

Financial Policies & Procedures

The College has a variety of policies, procedures and guidelines that employees are required to follow in regard to financial processes – including budgeting. The following is a summary:

- As per the Budget Operational Policy, the President of the College is responsible for the development of the budget in accordance with the Arizona Revised Statutes.
 - Budget development procedures include, among other things
 - Budget Principles: Transparency, Aligned, Participative, and Fiscally Conservative
 - Create tools to support strategic budget reductions and annual reallocations
 - Prioritize market-competitive salaries
 - Set tuition rates that are transparent, market-competitive, and affordable
 - Assess profit/subsidy of new and existing programs
- The Investment policy guides the investment of temporarily available cash to ensure all available balances are prudently invested in compliance with the applicable state statutes, governing board requirements and internal regulations. The four primary objectives of this policy are the safety of invested principal, maximum invested balances, appropriate liquidity and maximum total rate of return.
- The Purchasing policy helps employees receive the best value by explaining various means of procuring goods and services, such as p-cards, check requests, pre-negotiated contracts, and the formal bid process.

- Fund Balance Policy: As mentioned above, The College maintains cash reserves in accordance to the District Governing Board’s reserve requirements. The current funds and plant fund reserves are set at 17% and \$1,000,000 respectively, of the Colleges operating expenditure budgets. The College’s reserves provide stability and flexibility to respond to unexpected adversity and/or opportunities.
- The Debt Policy explains the various legal options to borrow, the purpose of issuing debt, and how to do so in a fiscally sound manner.

Fund Accounting

Fund accounting is an accounting and reporting system required to be used by independent colleges and universities to keep track of resources whose use is limited by donors, granting agencies, law, other outside individuals or entities, or by governing boards. A fund is maintained for each specific purpose.

Yavapai College uses the following 5 funds to track revenues and expenses: General Fund, Auxiliary Fund, Restricted Fund, Debt Fund, and Plant Fund. The definitions for these may be found in the Glossary.

Budget Overview

The following Revenue Summary and Expense Summary tables group these funds into Current Funds and Capital Funds. The current funds group consists of funds expendable for current operating purposes, and is divided into two unrestricted funds, General and Auxiliary, as well as Restricted Funds. Capital Funds consist of the Plant Fund and the Debt Fund.

The Expense Summary Table also categorizes expenses by Function (sometimes known as Program), which helps the financial report reader better understand which kinds of services are being provided by the College. All U.S. colleges and universities use these same categories to report to the federal Department of Education, which allows for benchmarking. Finally, the expenses are broken into Natural Expense Classes which helps the financial report reader to understand what the money purchased. Funds, Functions and Natural Expense Classes are all defined in the Glossary section of this report.



ALL FUNDS

Exhibit 1

SUMMARY OF REVENUE DATA

	Prior Year Actual <u>2024-2025</u>	Current Year Budget <u>2025-2026</u>	Proposed Budget <u>2026-2027</u>	Dollar (\$) Difference	Percentage (%) Difference
REVENUES					
Current Funds					
General Fund					
Property Taxes - Primary, Net Contingency	\$ 49,085,800	\$ 50,340,300	\$ 51,613,300	\$ 1,273,000	2.5%
Tuition & Fees	13,593,900	15,042,100	16,877,600	1,835,500	12.2%
State Appropriations	2,204,900	2,389,500	2,583,100	193,600	8.1%
Other Sources	2,447,300	1,658,800	1,371,700	(287,100)	-17.3%
Auxiliary Fund					
Sales and Services	5,121,700	6,554,170	6,925,200	371,030	5.7%
Other Sources	1,595,400	1,311,200	1,338,100	26,900	2.1%
Sub-Total Current Funds - Unrestricted	\$ 74,049,000	\$ 77,296,070	\$ 80,709,000	\$ 3,412,930	4.4%
Current Funds - Restricted					
Federal Grants and Contracts	\$ 12,634,800	\$ 11,302,700	\$ 10,715,500	\$ (587,200)	-5.2%
State Grants and Contracts	572,400	247,500	729,600	482,100	194.8%
State Appropriations/Props 207 & 301	4,722,400	5,242,200	4,987,000	(255,200)	-4.9%
Private Gifts, Grants and Contracts	1,149,800	1,246,200	1,280,200	34,000	2.7%
Sub-Total Current Funds - Restricted	\$ 19,079,400	\$ 18,038,600	\$ 17,712,300	\$ (326,300)	-1.8%
TOTAL CURRENT FUNDS	\$ 93,128,400	\$ 95,334,670	\$ 98,421,300	\$ 3,086,630	3.2%
Capital Funds					
Plant Fund					
Property Taxes - Primary, Net Contingency	\$ 7,735,000	\$ 7,705,500	\$ 7,705,500	\$ -	0.0%
Revenue Bond Proceeds	16,000,000	-	-	-	
Other Sources	697,000	540,000	540,000	-	0.0%
TOTAL CAPITAL FUNDS	\$ 24,432,000	\$ 8,245,500	\$ 8,245,500	\$ -	0.0%
GRAND TOTAL - CURRENT & CAPITAL FUNDS	\$ 117,560,400	\$ 103,580,170	\$ 106,666,800	\$ 3,086,630	3.0%
Savings Applied to Budget	17,453,800	16,825,130	7,919,900	(8,905,230)	-52.9%
TOTAL REVENUES AVAILABLE FOR EXPENDITURES	\$ 135,014,200	\$ 120,405,300	\$ 114,586,700	\$ (5,818,600)	-4.8%

Exhibit 2

SUMMARY OF EXPENSE DATA

Expenditures by Fund	2024-2025 Actual	2025-2026 Budget	2026-2027 Proposed	Dollar (\$) Difference	Percentage (%) Difference
Current Funds					
Current General Fund - Unrestricted	\$ 63,396,500	\$ 65,974,600	\$ 70,539,500	\$ 4,564,900	6.9%
Auxiliary Enterprises	8,061,900	9,106,600	9,286,500	179,900	2.0%
Sub-Total Current Funds - Unrestricted	\$ 71,458,400	\$ 75,081,200	\$ 79,826,000	\$ 4,744,800	6.3%
Current Funds - Restricted	19,523,300	21,772,500	18,217,500	(3,555,000)	-16.3%
TOTAL CURRENT FUNDS	\$ 90,981,700	\$ 96,853,700	\$ 98,043,500	\$ 1,189,800	1.2%
Plant Funds					
Unexpended Plant Fund	\$ 25,505,400	\$ 21,973,700	\$ 14,899,500	\$ (7,074,200)	-32.2%
Retirement of Indebtedness	2,369,311	1,577,900	1,643,700	65,800	4.2%
TOTAL PLANT FUNDS	\$ 27,874,711	\$ 23,551,600	\$ 16,543,200	\$ (7,008,400)	-29.8%
GRAND TOTAL - CURRENT & PLANT FUNDS	\$ 118,856,411	\$ 120,405,300	\$ 114,586,700	\$ (5,818,600)	-4.8%

Expenditures by Program	2024-2025 Actual	2025-2026 Budget	2026-2027 Proposed	Dollar (\$) Difference	Percentage (%) Difference
Instruction	\$ 27,778,800	\$ 29,777,200	\$ 32,622,000	\$ 2,844,800	9.6%
Public Service	4,599,100	5,454,500	4,449,400	(1,005,100)	-18.4%
Academic Support	6,607,100	6,673,700	6,943,900	270,200	4.0%
Student Services	12,860,900	12,952,800	13,329,500	376,700	2.9%
Institutional Support/Administration	15,822,900	17,171,800	17,453,100	281,300	1.6%
Physical Plant Operations/Maintenance	30,358,200	29,801,300	20,500,700	(9,300,600)	-31.2%
Scholarships	11,611,800	9,547,400	9,712,900	165,500	1.7%
Auxiliary	4,062,900	5,527,300	5,564,900	37,600	0.7%
Retirement of Indebtedness	2,369,300	1,577,900	1,643,700	65,800	4.2%
Contingency	2,785,400	1,921,400	2,366,600	445,200	23.2%
TOTAL BUDGET	\$ 118,856,400	\$ 120,405,300	\$ 114,586,700	\$ (5,818,600)	-4.8%

Expenditures by Natural Expense	2024-2025 Actual	2025-2026 Budget	2026-2027 Proposed	Dollar (\$) Difference	Percentage (%) Difference
Salaries and Benefits	\$ 60,436,800	\$ 63,349,300	\$ 65,899,900	\$ 2,550,600	4.0%
Supplies and Other	17,541,700	22,040,000	19,070,900	(2,969,100)	-13.5%
Scholarships	11,611,800	9,547,400	9,712,900	165,500	1.7%
Capital Projects and Equipment	26,896,800	21,969,300	15,892,700	(6,076,600)	-27.7%
Debt payments	2,369,310	1,577,900	1,643,700	65,800	4.2%
Contingency	-	1,921,400	2,366,600	445,200	23.2%
Total	\$ 118,856,410	\$ 120,405,300	\$ 114,586,700	\$ (5,818,600)	-4.8%

GENERAL FUND

Exhibit 3

GENERAL FUND - REVENUES AND OTHER ADDITIONS

REVENUES	2024-2025 Actual	2025-2026 Budget	2026-2027 Proposed	DOLLAR (\$) DIFFERENCE	PERCENTAGE (%) DIFFERENCE
PROPERTY TAXES - PRIMARY	\$ 49,085,800	\$ 50,490,300	\$ 51,763,300	\$ 1,273,000	2.5%
Property Tax Contingency	-	(150,000)	(150,000)	-	0.0%
PROPERTY TAXES - PRIMARY, NET	\$ 49,085,800	\$ 50,340,300	\$ 51,613,300	\$ 1,273,000	2.5%
STATE APPROPRIATIONS					
Maintenance Support	\$ 371,300	\$ 555,900	\$ 683,900	\$ 128,000	23.0%
Rural Community College Aid - One Time	-	-	-	-	-
Rural Community College Aid - Recurring	1,833,600	1,833,600	1,899,200	65,600	3.6%
Sub-total State Appropriations	\$ 2,204,900	\$ 2,389,500	\$ 2,583,100	\$ 193,600	8.1%
TUITION & STUDENT FEES					
General Tuition	\$ 11,937,400	\$ 13,267,100	\$ 15,050,700	\$ 1,783,600	13.4%
Out-of-District Tuition	86,100	90,400	98,400	8,000	8.8%
Out-of-State Tuition	738,300	764,500	959,500	195,000	25.5%
Tuition - Noncredit	148,400	286,000	154,000	(132,000)	-46.2%
REDC - Workforce Noncredit	32,200	50,000	12,000	(38,000)	-76.0%
Student Fees	241,400	184,100	203,000	18,900	10.3%
Tuition and Fee Remissions/Waivers	410,100	400,000	400,000	-	0.0%
Sub-Total Tuition & Student Fees	\$ 13,593,900	\$ 15,042,100	\$ 16,877,600	\$ 1,835,500	12.2%
OTHER SOURCES					
Investment Income	\$ 1,400,000	\$ 1,125,000	\$ 638,500	\$ (486,500)	-43.2%
YCF Contribution - Basketball Program	366,000	-	-	-	-
Other	681,300	533,800	733,200	199,400	37.4%
Sub-Total Other Sources	\$ 2,447,300	\$ 1,658,800	\$ 1,371,700	\$ (287,100)	-17.3%
Gross Revenues	\$ 67,331,900	\$ 69,430,700	\$ 72,445,700	\$ 3,015,000	4.3%
Unrestricted Savings Applied to Budget	\$ 8,388,100	\$ 1,360,830	\$ 2,970,100	\$ 1,609,270	118.3%
TRANSFERS IN/OUT					
Transfer to Auxiliary Fund	(1,975,800)	(1,644,530)	(1,427,300)	217,230	-13.2%
Transfer to Retirement of Indebtedness Plant Fund	(2,011,300)	(1,172,400)	(1,237,200)	(64,800)	5.5%
Transfer to Plant Fund	(7,500,000)	(2,000,000)	(2,211,800)	(211,800)	10.6%
TOTAL REVENUES AVAILABLE FOR EXPENDITURES	\$ 64,232,900	\$ 65,974,600	\$ 70,539,500	\$ 4,564,900	6.9%

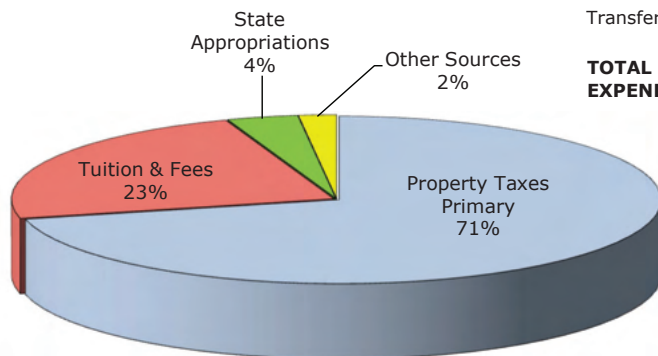
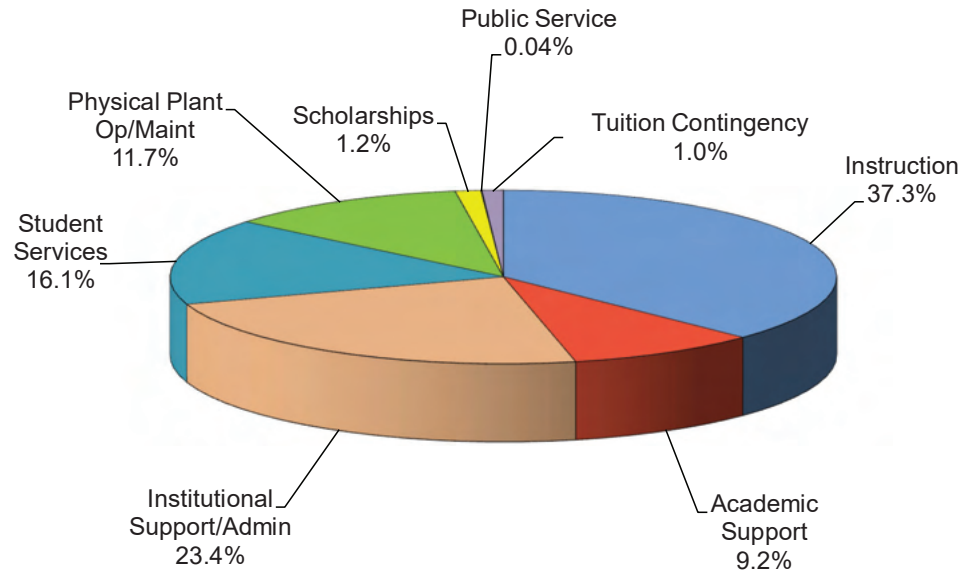


Exhibit 4

GENERAL FUND - EXPENDITURES AND OTHER DEDUCTIONS

EXPENDITURES	2024-2025 Actual	2025-2026 Budget	2026-2027 Proposed	DOLLAR (\$) DIFFERENCE	PERCENTAGE (%) DIFFERENCE
Current General Fund					
Instruction	\$ 22,916,700	\$ 24,154,100	\$ 25,987,100	\$ 1,833,000	7.6%
Academic Support	6,006,100	6,274,500	6,448,200	173,700	2.8%
Institutional Support/Administration	15,086,400	15,483,200	16,280,500	797,300	5.1%
Student Services	10,574,200	10,930,600	11,201,100	270,500	2.5%
Physical Plant Operations/Maintenance	7,818,200	7,654,200	8,178,800	524,600	6.9%
Scholarships	946,100	685,100	869,000	183,900	26.8%
Public Service	48,800	25,900	26,800	900	3.5%
Tuition Contingency	-	767,000	823,000	56,000	7.3%
Health Benefits Reserve Replenishment	-	-	725,000	725,000	
TOTAL CURRENT GENERAL FUND BUDGET	\$ 63,396,500	\$ 65,974,600	\$ 70,539,500	\$ 4,564,900	6.9%



AUXILIARY FUND

Exhibit 5

AUXILIARY FUNDS - REVENUES AND OTHER ADDITIONS

	<u>2024-2025</u> <u>Actual</u>	<u>2025-2026</u> <u>Budget</u>	<u>2026-2027</u> <u>Proposed</u>	<u>DOLLAR (\$)</u> <u>DIFFERENCE</u>	<u>PERCENTAGE</u> <u>(%)</u> <u>DIFFERENCE</u>
<u>Revenues & Other Additions By Source</u>					
<u>AUXILIARY ENTERPRISES</u>					
Residence Halls	\$ 1,243,500	\$ 1,262,000	\$ 1,265,000	\$ 3,000	0.2%
Bookstore	17,200	20,000	2,000	(18,000)	-90.0%
Food Services Sales	1,439,600	1,918,000	2,043,700	125,700	6.6%
Vending	48,300	30,000	30,000	-	0.0%
Property Rentals	72,500	989,200	1,135,800	146,600	14.8%
Edventures & Community Education	60,400	47,000	47,000	-	0.0%
Winery - Tasting Room	248,500	270,000	315,000	45,000	16.7%
Family Enrichment Center	801,700	882,370	951,100	68,730	7.8%
Subtotal	<u>\$ 3,931,700</u>	<u>\$ 5,418,570</u>	<u>\$ 5,789,600</u>	<u>\$ 371,030</u>	<u>6.8%</u>
<u>PUBLIC SERVICES</u>					
Community Events	\$ 1,190,000	\$ 1,135,600	\$ 1,135,600	\$ -	0.0%
Subtotal	<u>\$ 1,190,000</u>	<u>\$ 1,135,600</u>	<u>\$ 1,135,600</u>	<u>\$ -</u>	<u>0.0%</u>
<u>OTHER REVENUES</u>					
Yavapai College Foundation	\$ 565,000	\$ 601,500	\$ 621,600	\$ 20,100	3.3%
Performing Arts Productions	380,900	300,000	300,000	-	0.0%
Miscellaneous	649,500	409,700	416,500	6,800	1.7%
Subtotal	<u>\$ 1,595,400</u>	<u>\$ 1,311,200</u>	<u>\$ 1,338,100</u>	<u>\$ 26,900</u>	<u>2.1%</u>
Total Revenues & Other Additions	\$ 6,717,100	\$ 7,865,370	\$ 8,263,300	\$ 397,930	5.1%
UNRESTRICTED SAVINGS AT JULY 1 APPLIED TO BUDGET	-	-	-	-	0.0%
<u>TRANSFERS IN/OUT</u>					
Transfer in from General Fund	\$ 1,451,300	\$ 1,644,530	\$ 1,427,300	\$ (217,230)	-13.2%
Transfer to Retirement of Indebtedness Plant Fund - Revenue Bond P & I	(402,300)	(403,300)	(404,100)	(800)	0.2%
TOTAL AVAILABLE FOR EXPENDITURES	<u>\$ 7,766,100</u>	<u>\$ 9,106,600</u>	<u>\$ 9,286,500</u>	<u>\$ 179,900</u>	<u>2.0%</u>

Exhibit 6

AUXILIARY FUNDS - EXPENDITURES AND OTHER DEDUCTIONS

	<u>2024-2025</u> <u>Actual</u>	<u>2025-2026</u> <u>Budget</u>	<u>2026-2027</u> <u>Proposed</u>	<u>DOLLAR (\$)</u> <u>DIFFERENCE</u>	<u>PERCENTAGE</u> <u>(%)</u> <u>DIFFERENCE</u>
Instruction	\$ 342,200	\$ 339,100	\$ 354,100	\$ 15,000	4.4%
Student Services	1,256,000	1,231,000	1,141,400	(89,600)	-7.3%
Auxiliary Enterprises	3,666,000	4,455,900	4,568,500	112,600	2.5%
Public Service	1,628,700	1,483,200	1,625,100	141,900	9.6%
Contingency	-	100,000	100,000	-	0.0%
	<hr/>				
Facilities & Administrative Allocation Expense	1,169,000	1,497,400	1,497,400	-	0.0%
	<hr/>				
TOTAL CURRENT AUXILIARY FUNDS BUDGET	\$ 8,061,900	\$ 9,106,600	\$ 9,286,500	\$ 179,900	2.0%

Exhibit 7

AUXILIARY FUND - REVENUES AND EXPENDITURES (WITHOUT ALLOCATION)

	FY2024-2025 REVENUE Actual	FY2024-2025 OPERATING EXPENSE Actual	NET	FY2025-2026 REVENUE	FY2025-2026 OPERATING EXPENSE	NET	FY2026-2027 REVENUE	FY2026-2027 OPERATING EXPENSE	NET	Net Dollar (\$) Difference	Net Percentage (%) Difference
Auxiliary Enterprises											
Residence Halls	\$ 1,243,500	\$ 389,780	\$ 853,720	\$ 1,262,000	\$ 410,100	851,900	\$ 1,265,000	\$ 413,600	\$ 851,400	\$ (500)	-0.1%
Debt Service - Transfer to Debt Fund	(400,900)	-	(400,900)	(403,300)	-	(403,300)	(404,100)	-	(404,100)	(800)	0.2%
Sub-Total - Residence Halls	\$ 842,600	\$ 389,780	\$ 452,820	\$ 858,700	\$ 410,100	\$ 448,600	\$ 860,900	\$ 413,600	\$ 447,300	\$ (1,300)	-0.3%
Bookstore	\$ 17,200	\$ -	\$ 17,200	\$ 20,000	\$ -	\$ 20,000	\$ 2,000	\$ -	\$ 2,000	\$ (18,000)	-90.0%
Food Services Sales	1,439,600	1,790,200	(350,600)	1,918,000	2,152,000	(234,000)	2,043,700	2,149,400	(105,700)	128,300	-54.8%
Vending	48,300	-	48,300	30,000	-	30,000	30,000	-	30,000	-	0.0%
Property Rentals	72,500	10,200	62,300	989,200	485,500	503,700	1,135,800	550,400	585,400	81,700	16.2%
Edventures & Community Education	60,400	80,200	(19,800)	47,000	72,900	(25,900)	47,000	36,200	10,800	36,700	-141.7%
Family Enrichment Center	801,700	1,256,000	(454,300)	882,370	1,216,300	(333,930)	951,100	1,126,700	(175,600)	158,330	-47.4%
Public Services											
Community Events	1,190,000	1,432,900	(242,900)	1,135,600	1,256,800	(121,200)	1,135,600	1,392,300	(256,700)	(135,500)	111.8%
Winery - Tasting Room	248,500	278,500	(30,000)	270,000	360,100	(90,100)	315,000	432,500	(117,500)	(27,400)	30.4%
Total "Self-Supporting"	\$ 4,720,800	\$ 5,237,780	\$ (516,980)	\$ 6,150,870	\$ 5,953,700	\$ 197,170	\$ 6,521,100	\$ 6,101,100	\$ 420,000	\$ 222,830	113.0%
Other Auxiliaries											
SBDC	\$ -	\$ 171,600	\$ (171,600)	\$ -	\$ 193,100	\$ (193,100)	\$ -	\$ 198,500	\$ (198,500)	\$ (5,400)	2.8%
Performing Arts Productions	380,900	303,300	77,600	300,000	303,100	(3,100)	300,000	308,100	(8,100)	(5,000)	161.3%
Yavapai College Foundation	565,000	507,000	58,000	601,500	601,500	-	621,600	621,600	-	-	0.0%
Miscellaneous	649,500	673,200	(23,700)	409,700	457,800	(48,100)	416,500	459,800	(43,300)	4,800	-10.0%
Contingency	-	-	-	-	100,000	(100,000)	-	100,000	(100,000)	-	0.0%
Total Supported Areas	\$ 1,595,400	\$ 1,655,100	\$ (59,700)	\$ 1,311,200	\$ 1,655,500	\$ (344,300)	\$ 1,338,100	\$ 1,688,000	\$ (349,900)	\$ (5,600)	1.6%
GRAND TOTAL	\$ 6,316,200	\$ 6,892,880	\$ (576,680)	\$ 7,462,070	\$ 7,609,200	\$ (147,130)	\$ 7,859,200	\$ 7,789,100	\$ 70,100	\$ 217,230	-147.6%



RESTRICTED FUND

Exhibit 8

RESTRICTED FUNDS - REVENUES AND OTHER ADDITIONS

	<u>2024-2025</u> <u>Actual</u>	<u>2025-2026</u> <u>Budget</u>	<u>2026-2027</u> <u>Proposed</u>	<u>DOLLAR (\$)</u> <u>DIFFERENCE</u>	<u>PERCENTAGE</u> <u>(%)</u> <u>DIFFERENCE</u>
Revenues and Other Additions by Source					
GIFTS, GRANTS, AND CONTRACTS					
Federal Grants and Contracts					
U.S. DOE - Student Support Services	\$ 511,500	\$ 83,800	\$ -	\$ (83,800)	-100.0%
U.S. DOE - Adult Education	416,000	496,800	511,800	15,000	3.0%
U.S. DOE - Financial Aid Cluster	9,188,700	7,939,300	7,939,900	600	0.0%
U.S. DOE - Vocational Education	322,300	274,900	192,400	(82,500)	-30.0%
U.S. DOE - Open Text Rural AZ	660,200	25,000	-	(25,000)	-100.0%
U.S. DOL - QUEST Workforce & Jobs	662,100	390,000	-	(390,000)	-100.0%
U.S. DOL - FastTrack to LPN Grant	284,400	210,000	200,000	(10,000)	-4.8%
U.S. DOL - Workforce Innovation & Oppor. Act	-	939,000	939,000	-	100.0%
U.S. DOT - FMCSA CMVOST (CDL)	-	-	27,600	27,600	
U.S. DHHS - Substance Abuse Prevention	189,600	-	54,800	54,800	
U.S. DA - Rural Business Development	79,000	124,100	-	(124,100)	-100.0%
U.S. Small Business Administration	163,500	249,500	250,000	500	0.2%
Other	157,500	570,300	600,000	29,700	5.2%
Subtotal	\$ 12,634,800	\$ 11,302,700	\$ 10,715,500	\$ (587,200)	-5.2%
State Grants and Contracts					
AZ DOE - Adult Education	\$ 174,500	\$ 174,500	\$ 174,600	\$ 100	0.1%
AZ DHS - Health/Wellness Nursing Initiative	384,400	-	226,000	226,000	
AZCC Promise Grant	-	-	140,000	140,000	0.0%
Other	13,500	73,000	189,000	116,000	158.9%
Subtotal	\$ 572,400	\$ 247,500	\$ 729,600	\$ 482,100	194.8%
Private Gifts, Grants and Contracts					
Bernard Osher Foundation	\$ 114,700	\$ 114,700	\$ 125,000	\$ 10,300	9.0%
Yavapai College Foundation	688,500	878,000	850,000	(28,000)	-3.2%
Freeport-McMoRan	101,600	105,000	100,000	(5,000)	-4.8%
Other	245,000	148,500	205,200	56,700	38.2%
Subtotal	\$ 1,149,800	\$ 1,246,200	\$ 1,280,200	\$ 34,000	2.7%
OTHER REVENUES AND ADDITIONS					
Prop. 301 Workforce Development	\$ 1,431,500	\$ 1,562,000	\$ 1,624,500	\$ 62,500	4.0%
Prop. 207 Workforce Development/STEM	2,654,300	2,970,000	2,600,000	(370,000)	-12.5%
State Appropriation - STEM Workforce Programs	636,600	710,200	762,500	52,300	7.4%
Subtotal	\$ 4,722,400	\$ 5,242,200	\$ 4,987,000	\$ (255,200)	-4.9%
Total Revenues & Other Additions	\$ 19,079,400	\$ 18,038,600	\$ 17,712,300	\$ (326,300)	-1.8%
Transfer to General Fund					
RESTRICTED FUND BALANCE AT JULY 1 APPLIED TO BUDGET	1,700,000	3,733,900	505,200	(3,228,700)	-86.5%
TOTAL AVAILABLE FOR EXPENDITURES	\$ 20,779,400	\$ 21,772,500	\$ 18,217,500	\$ (3,555,000)	-16.3%

Restricted Revenue by Source

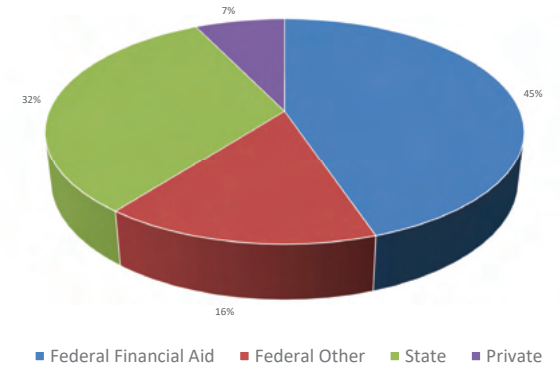


Exhibit 9

RESTRICTED FUNDS - EXPENDITURES AND OTHER DEDUCTIONS

	<u>2024-2025</u> <u>Actual</u>	<u>2025-2026</u> <u>Budget</u>	<u>2026-2027</u> <u>Proposed</u>	<u>DOLLAR (\$)</u> <u>DIFFERENCE</u>	<u>PERCENTAGE</u> <u>(%)</u> <u>DIFFERENCE</u>
CURRENT RESTRICTED FUND (Note 1)					
Instruction	\$ 4,403,700	\$ 5,141,600	\$ 6,045,800	\$ 904,200	17.6%
Academic Support	205,900	-	85,400	85,400	0.0%
Institutional Support/Administration	-	-	200,500	200,500	0.0%
Student Services	905,000	654,100	840,700	186,600	28.5%
Physical Plant Operations/Maintenance	1,402,300	3,733,900	-	(3,733,900)	0.0%
Scholarships	10,393,200	8,862,300	8,843,900	(18,400)	-0.2%
Public Service	2,213,200	3,380,600	2,201,200	(1,179,400)	-34.9%
TOTAL EXPENDITURES AND OTHER DEDUCTIONS OF CURRENT RESTRICTED FUNDS	\$ 19,523,300	\$ 21,772,500	\$ 18,217,500	\$ (3,555,000)	-16.3%

PLANT FUND

Exhibit 10

UNEXPENDED PLANT FUND - REVENUES AND OTHER ADDITIONS

	<u>2024-2025</u> <u>Actual</u>	<u>2025-2026</u> <u>Budget</u>	<u>2026-2027</u> <u>Proposed</u>	<u>DOLLAR (\$)</u> <u>DIFFERENCE</u>	<u>PERCENTAGE</u> <u>(%)</u> <u>DIFFERENCE</u>
<u>Revenues and Other Additions By Source</u>					
<u>Recurring</u>					
Primary Levy - Capital	\$ 7,735,000	\$ 7,750,500	\$ 7,750,500	\$ -	0.0%
Property Tax Contingency	-	(45,000)	(45,000)	-	0.0%
Revenue Bond Proceeds	16,000,000	-	-	-	100.0%
Investment Income	681,800	500,000	500,000	-	0.0%
Other	15,200	40,000	40,000	-	0.0%
Total Revenues	<u>\$ 24,432,000</u>	<u>\$ 8,245,500</u>	<u>\$ 8,245,500</u>	<u>\$ -</u>	<u>0.0%</u>
Savings Applied to Budget	7,362,500	11,728,200	4,442,200	(7,286,000)	-100.0%
<u>TRANSFERS IN/OUT</u>					
Transfer in from General Fund	<u>7,500,000</u>	2,000,000	2,211,800	211,800	10.6%
AMOUNT AVAILABLE FOR EXPENDITURES - UNEXPENDED PLANT FUND	<u>\$ 39,294,500</u>	<u>\$ 21,973,700</u>	<u>\$ 14,899,500</u>	<u>\$ (7,074,200)</u>	<u>-32.2%</u>

Exhibit 11

UNEXPENDED PLANT FUND - EXPENDITURES AND OTHER DEDUCTIONS

	<u>2024-2025</u> <u>Actual</u>	<u>2025-2026</u> <u>Budget</u>	<u>2026-2027</u> <u>Proposed</u>	<u>DOLLAR (\$)</u> <u>DIFFERENCE</u>	<u>PERCENTAGE</u> <u>(%)</u> <u>DIFFERENCE</u>
UNEXPENDED PLANT FUND					
Buildings/Infrastructure					
Planned Maintenance	\$ 4,623,400	\$ 4,463,200	\$ 7,000,000	\$ 2,536,800	56.8%
Unplanned Maintenance	273,100	292,400	292,400	-	0.0%
Capital Improvement Projects (CIP)	14,045,800	13,138,300	3,492,200	(9,646,100)	-73.4%
Equipment & Software					
Equipment	1,991,200	1,990,600	2,133,900	143,300	7.2%
Furniture and Fixtures	260,800	273,200	281,400	8,200	3.0%
Enterprise Resource Planning Software	-	916,400	150,000	(766,400)	-83.6%
Center for Learning & Innovation - Books	5,000	8,000	8,000	-	0.0%
Contributions to Capital Projects					
Accumulation Account - Future Projects	1,520,700	-	-	-	-100.0%
Capital Contingency	2,785,400	891,600	1,541,600	650,000	72.9%
TOTAL EXPENDITURES - UNEXPENDED PLANT FUNDS	\$ 25,505,400	\$ 21,973,700	\$ 14,899,500	\$ (7,074,200)	-32.2%

Exhibit 12

FIVE-YEAR BUILDINGS AND GROUNDS PLANNED MAINTENANCE PLAN

	<u>2024-25</u> <u>Actual</u>	<u>2025-26</u> <u>Budget</u>	<u>2026-27</u> <u>Proposed</u>	<u>2027-28</u>	<u>2028-29</u>	<u>2029-30</u>	<u>2030-31</u>
Unplanned Maintenance	\$ 273,100	\$ 292,400	\$ 292,400	\$ 301,200	\$ 310,200	\$ 319,500	\$ 329,100
Planned Maintenance Total	<u>\$ 4,623,400</u>	<u>4,463,200</u>	<u>7,000,000</u>	<u>4,597,100</u>	<u>4,735,000</u>	<u>4,877,100</u>	<u>5,023,400</u>
TOTAL MAINTENANCE	<u>\$ 4,896,500</u>	<u>\$ 4,755,600</u>	<u>\$ 7,292,400</u>	<u>\$ 4,898,300</u>	<u>\$ 5,045,200</u>	<u>\$ 5,196,600</u>	<u>\$ 5,352,500</u>

Planned Maintenance by Project

	<u>2026-27</u> <u>Proposed</u>	
Prescott Campus, Bldg 2	\$ 3,120,000	Replace RTU's feeding gymnasium; Replace Interior HVAC - VAVs + FC's + Controls; Replace drop Ceiling - Lower level; Replace AHU's; Replace MAU and AHU feeding pool; Replace Exhaust Fans (12); Renovate locker rooms; Pool room improvements; Renovate gymnasium restrooms
Prescott Campus, Bldg 8	1,360,000	Replace Sidewalk + repair railing; Renovate top floor - HVAC, Paint, Carpet; Add Boiler System
Prescott Campus, Bldg 10	300,000	Add Boiler System
Prescott Campus, Bldg 15	100,000	Stairs, Metal and Concrete exterior
Prescott Campus, Bldg 16	250,000	Reseal Brick / Paint
Prescott Campus, Bldg 17	150,000	Replace Concrete
Prescott Campus, Bldg 19	100,000	Data Room Mini splits - Replace CRAC
Prescott Campus, Bldg 28	30,000	Replace drop ceilings
Prescott Campus, Bldg 29	100,000	Replace Sidewalk ; Replace roofing
Prescott Campus, Bldg 30	50,000	Replace Stairs + concrete sidewalk + new railing
Prescott Campus, Bldg 32	30,000	New Railing
Prescott Campus, Site	200,000	Repaint Curbs + restripe + crack fill
Prescott Campus, Lot J	500,000	Resurface Parking Lot J - address stamped walkway
CTEC Campus, Bldg 70	250,000	Replace MAU 1 + Pkg Units
Chino Campus, Bldg 57	200,000	Replace MAU
Verde Campus, Bldg M	40,000	Paint Bridge, Stairs, Railing
Verde Campus, Bldg H	70,000	Paint exterior
Verde Campus, Parking	150,000	Crack fill + Restripe
Planned Maintenance Totals	<u>\$ 7,000,000</u>	

Exhibit 13

FIVE YEAR EQUIPMENT PLAN

	<u>FY 2024-25</u>	<u>FY 2025-26</u>	<u>FY 2026-27</u>	<u>FY 2027-28</u>	<u>FY2028-29</u>	<u>FY2029-30</u>	<u>FY2030-31</u>
	<u>Actual</u>	<u>Budget</u>	<u>Proposed</u>				
Division 1: Career & Technical Education	\$ 24,716	\$ 367,310	406,200	\$ 770,651	\$ 883,673	\$ 388,854	\$ 1,083,200
Division 2: Health Sciences & Public Services	18,715	275,895	238,479	550,044	434,423	634,558	444,688
Division 3: Visual & Performing Arts	67,227	84,900	86,200	74,300	111,100	78,600	75,200
Division 5: Math, Science & Computer Technology	5,517	53,200	79,200	92,050	139,700	122,900	109,400
Center for Learning & Innovation	4,980	16,725	4,000	5,400	4,200	9,800	4,000
Information Technology Services	1,072,022	1,159,895	1,161,209	1,192,020	1,280,071	1,369,824	1,451,317
Business Services	32,495	62,000	27,427	109,975	36,783	82,519	125,185
Facilities	356,925	208,000	243,000	215,000	218,000	215,000	215,000
Risk Management	22,088	30,500	26,500	26,500	24,500	20,000	20,000
Yavapai College Police Department	51,890	48,000	190,000	170,000	90,000	90,000	90,000
Marketing	-	5,160	5,160	5,160	5,160	5,160	5,160
Athletics	3,301	415,000	15,000	15,000	15,000	15,000	15,000
Auxiliary Enterprises	331,323	173,400	226,525	210,400	197,890	183,285	170,050
District	-	-	-	-	-	-	-
Sub-Total Equipment	\$ 1,991,200	\$ 2,899,985	\$ 2,708,900	\$ 3,436,500	\$ 3,440,500	\$ 3,215,500	\$ 3,808,200
Transfer PAC to YCF	-	(145,000)	-	-	-	-	-
Transfer Expenses to Restricted Fund - Prop. 301 / 207	-	(696,400)	(575,000)	(575,000)	(575,000)	(575,000)	(575,000)
Total Equipment	\$ 1,991,200	\$ 2,058,585	\$ 2,133,900	\$ 2,861,500	\$ 2,865,500	\$ 2,640,500	\$ 3,233,200

FY2026-2027 CAPITAL IMPROVEMENT PLAN

BUDGET RATIONALE

April 2027

1. Campus Signage (VVC)

Increase site visibility and promote college classes and events by installing an electronic marquee adjacent to 89A highway and Black Hills Drive.

2. Community Room - 19-147 (P)

We are giving the Community Room its first major upgrade in over 20 years, addressing several deferred maintenance issues along with updating finishes and technology.

3. Housing

Beginning with a Brailsford & Dunlavey report in 2019, YC has been looking for affordable housing solutions for students and attainable housing solutions for employees. This need was included in the FY22 Facilities Master Plan, and is now part of the College's

Strategic Plan. After much market research, the college has identified several potential solutions: Projects include shared apartments, tiny homes, travel trailers and an RV park at the VVC; tiny homes, travel trailer and RV park at the Chino Valley Center; renovating Building 34 to create an efficiency apartment on Prescott Campus; and renovating Prescott Pines facility into your-round use. Expected completion of currently approved housing by 8/15/26.

4. Building 3, Student Union (P)

Technology Learning Support moved into CLI-P this year. Their old space in Building 3 provides an opportunity to create more of a Student Union experience with dedicated space for Veterans lounge, Ruff's closet, and a Food Pantry as outlined in the Facilities Master Plan. The also allows for a break room and offices for related Student Affairs personnel.

5. Commercial HVAC (VVC)

We are launching a commercial HVAC program in response to strong and sustained workforce demand across Arizona's fastest-growing industries. Commercial HVAC requires higher levels of technical skill in areas such as large-scale systems, controls, and building automation—skills that are in short supply and command strong wages. Employers in healthcare, education, advanced manufacturing, and other large facilities are actively seeking trained technicians and struggling to fill these roles.



Verde Valley Student Housing

Exhibit 14

FIVE-YEAR CAPITAL IMPROVEMENT PLAN

Capital Improvement Plan Projects - Description	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
19 Community Room	250,000	-	-	-	-
Health Science Center (PV)	-	-	4,465,000	17,860,000	17,860,000
Electric Vehicle Maintenance (CTEC)	-	177,650	621,775	88,825	-
Workforce Housing	399,000	-	-	-	-
Acoustical/ Tech Upgrades (Sedona)	-	265,100	-	-	-
Campus Signage/Marquees (VV)	300,000	-	-	-	-
Learning Center (P)	-	-	308,940	1,081,290	154,470
Bldg 3 Student Union (P)	1,292,000	-	-	-	-
Commercial HVAC (VVC)	1,084,900	-	-	-	-
Contingency	166,300	23,303	283,985	1,001,585	948,130
Transfer Expenses to Restricted Fund - STEM	-	(177,650)	(621,775)	(88,825)	-
Transfer Expenses to Restricted Fund - Prop. 207	-	-	-	-	-
Total Capital Projects	\$ 3,492,200	\$ 288,403	\$ 5,057,925	\$ 19,942,875	\$ 18,962,600
Revenue Sources					
Grants and Donations	\$ 1,142,000	\$ -	\$ 4,700,000	\$ 18,800,000	\$ 18,800,000
Revenue Bonds	-	-	-	-	-
Capital Project Accumulation Account	2,350,200	288,403	357,925	1,142,875	162,600
Total Revenues	3,492,200	288,403	5,057,925	19,942,875	18,962,600
Excess/(Needed Capital)	\$ -	\$ -	\$ -	\$ -	\$ -

Note: Detailed explanations of projects to be Approved this year can be referenced on the previous page.

Key:

Green = Continuing Projects Approved in prior years.

Red = Projects to be Approved this year

Black = Future Projects

DEBT FUND

Exhibit 15

RETIREMENT OF INDEBTEDNESS PLANT FUND - REVENUES AND OTHER ADDITIONS

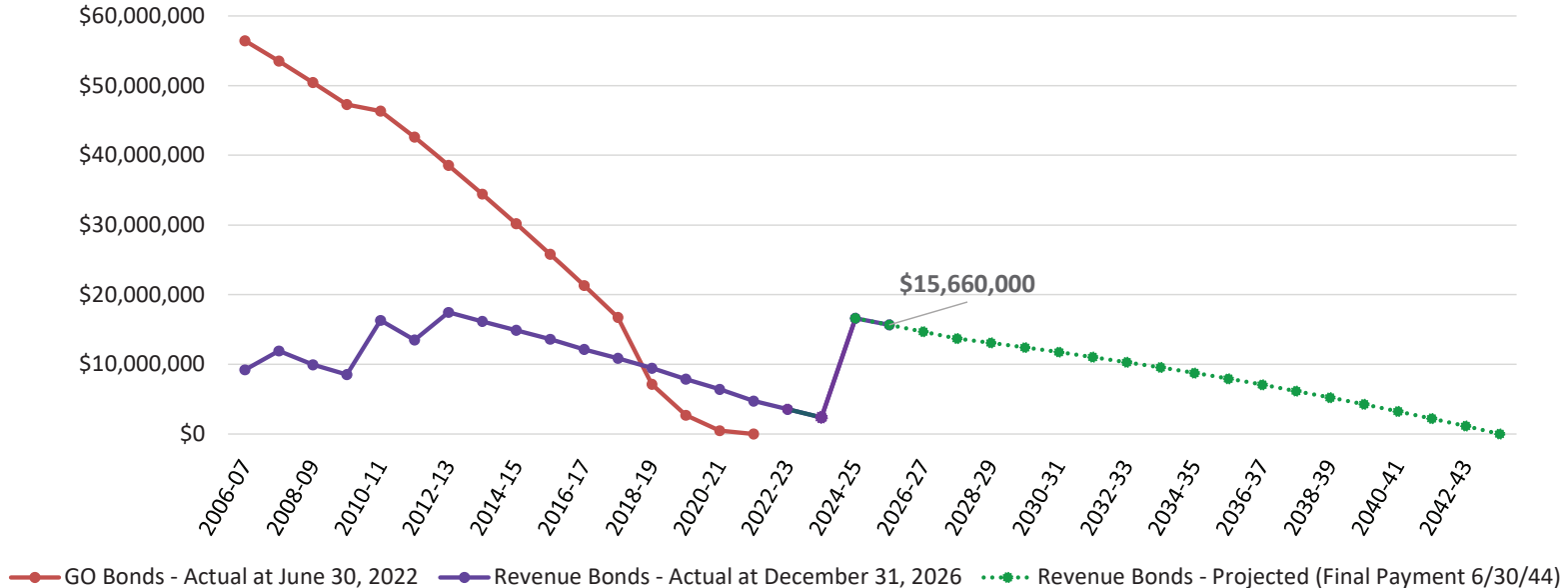
	<u>2024-2025</u> <u>Actual</u>	<u>2025-2026</u> <u>Budget</u>	<u>2026-2027</u> <u>Proposed</u>	<u>DOLLAR (\$)</u> <u>DIFFERENCE</u>	<u>PERCENTAGE</u> <u>(%)</u> <u>DIFFERENCE</u>
<u>RETIREMENT OF INDEBTEDNESS</u>					
SAVINGS AT JULY 1 APPLIED TO BUDGET	\$ 3,200	\$ 2,200	\$ 2,400	\$ 200	9.1%
TRANSFERS					
Transfer in from General Fund - 2024 Revenue Bond P & I	1,160,000	1,172,400	1,237,200	64,800	5.5%
Transfer in from General Fund - 2021 Revenue Refunding Bonds P & I	851,300	-	-	-	
Transfer in from Auxiliary Fund - 2013 Revenue Bond P & I	402,300	403,300	404,100	800	0.2%
TOTAL TRANSFERS	<u>\$ 2,413,600</u>	<u>\$ 1,575,700</u>	<u>\$ 1,641,300</u>	<u>\$ 65,600</u>	4.2%
TOTAL AVAILABLE FOR EXPENDITURES - RETIREMENT OF INDEBTEDNESS	<u>\$ 2,416,800</u>	<u>\$ 1,577,900</u>	<u>\$ 1,643,700</u>	<u>\$ 65,800</u>	4.17%

Exhibit 16

RETIREMENT OF INDEBTEDNESS PLANT FUND - EXPENDITURES AND OTHER DEDUCTIONS

	<u>Final Maturity</u>	<u>2024-2025 Actual</u>	<u>2025-2026 Budget</u>	<u>2026-2027 Proposed</u>	<u>DOLLAR (\$) DIFFERENCE</u>	<u>PERCENTAGE (%) DIFFERENCE</u>
RETIREMENT OF INDEBTEDNESS						
Retirement of Indebtedness (Principal)						
Revenue Bonds - 2024	7/1/2043	\$ 415,000	\$ 555,000	\$ 510,000	\$ (45,000)	-8.1%
Revenue Refunding Bonds - 2021	7/1/2025	840,000	-	-	-	
Revenue Bonds - 2013	7/1/2028	365,000	375,000	385,000	10,000	2.7%
Sub-total Retirement of Indebtedness		<u>\$ 1,620,000</u>	<u>\$ 930,000</u>	<u>\$ 895,000</u>	<u>\$ (35,000)</u>	-3.8%
Interest on Indebtedness						
Revenue Bonds - 2024		642,097	617,400	670,700	53,300	8.6%
Revenue Refunding Bonds - 2021		11,340	-	-	-	
Revenue Bonds - 2013		37,240	28,300	19,100	(9,200)	-32.5%
Sub-total Interest on Indebtedness		<u>\$ 690,677</u>	<u>\$ 645,700</u>	<u>\$ 689,800</u>	<u>\$ 44,100</u>	6.8%
Bond Premium Amortization						
Revenue Bonds - 2024		56,534	-	56,500	56,500	
Bank Fees						
		2,100	2,200	2,400	200	9.1%
TOTAL EXPENDITURES AND OTHER DEDUCTIONS - RETIREMENT OF INDEBTEDNESS		<u>\$ 2,369,311</u>	<u>\$ 1,577,900</u>	<u>\$ 1,643,700</u>	<u>\$ 65,800</u>	4.17%

Long Term Debt Actual and Projected Principal Payments



BEGINNING FUND BALANCES

Exhibit 17

FISCAL YEAR 2027 PROJECTED FUND BALANCES

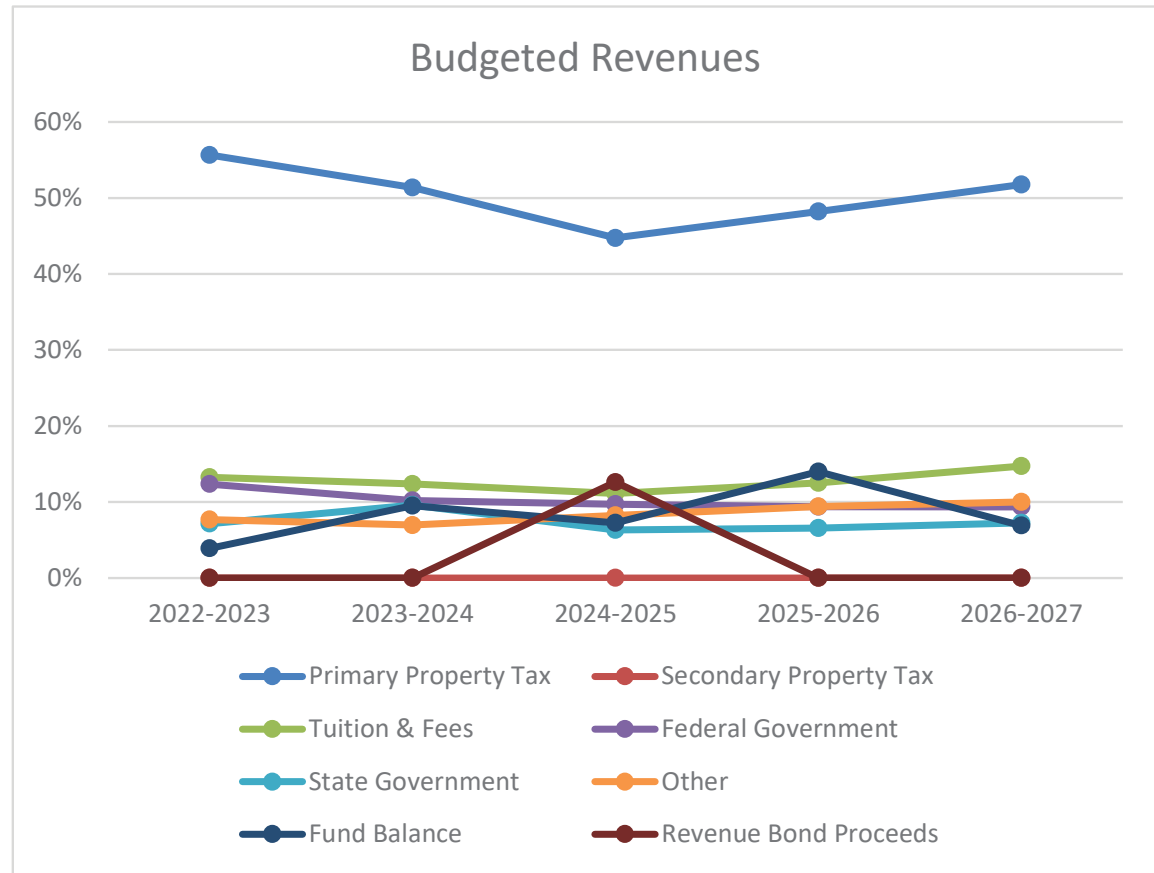
	Beginning FY27 Estimated Fund Balance	FY27 Estimated Revenues	FY27 Estimated Expenses	FY27 Interfund Transfers	Ending FY27 Estimated Fund Balance	Increase (Decrease) in Fund Balance	Beginning FY27 Estimated Cash Balance
Unrestricted Funds	\$ (9,119,000)	\$ 88,954,500	\$ (94,725,500)	\$ (1,641,300)	\$ (16,531,300)	\$ (7,412,300)	\$ 31,000,000
Restricted Funds	8,229,000	17,712,300	(18,217,500)	-	7,723,800	(505,200)	9,076,000
Retirement of Indebtedness Plant Fund	4,000	-	(1,641,300)	1,641,300	4,000	-	1,200
Total	\$ (886,000)	\$ 106,666,800	\$ (114,584,300)	\$ -	\$ (8,803,500)	\$ (7,917,500)	\$ 40,077,200



YAVAPAI COLLEGE

FINANCIAL DISCUSSION & ANALYSES

DISCUSSION OF BUDGETED REVENUES



Budgeted Revenues by Type

	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026</u>	<u>2026-2027</u>	<u>5 Yr Change</u>
Primary Property Tax	\$ 49,860,100	\$ 53,455,100	\$ 56,735,800	\$ 58,045,800	\$ 59,318,800	19%
Secondary Property Tax	-	-	-	-	-	0%
Tuition & Fees	11,860,000	12,896,000	14,111,000	15,042,100	16,877,600	42%
Federal Government	11,060,000	10,616,800	12,295,800	11,302,700	10,715,500	-3%
State Government	6,414,900	9,997,000	8,022,500	7,879,200	8,299,700	29%
Revenue Bond Proceeds	-	-	16,000,000	-	-	0%
Other	6,889,600	7,246,200	10,458,800	11,312,570	11,455,200	66%
Fund Balance	3,478,500	9,889,300	9,171,300	16,825,130	7,919,900	128%
	\$ 89,563,100	\$ 104,100,400	\$ 126,795,200	\$ 120,407,500	\$ 114,586,700	28%

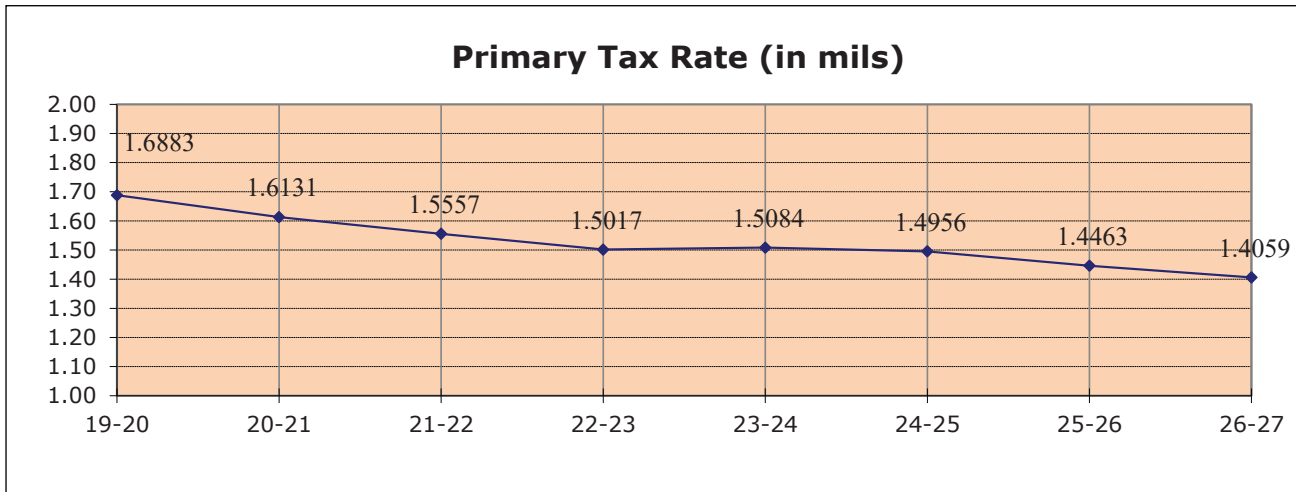
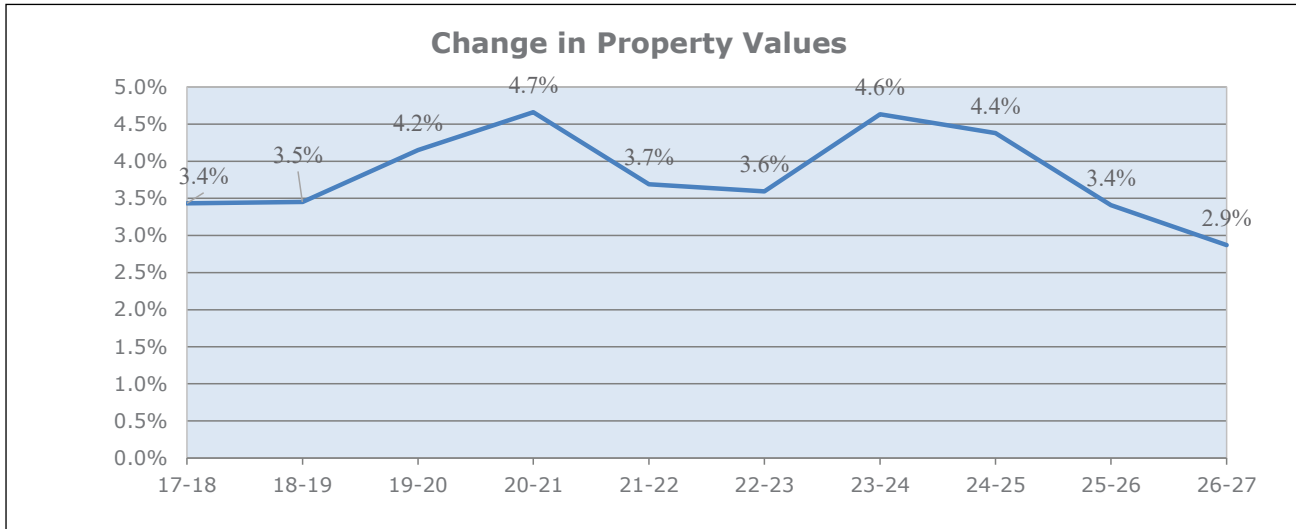
Primary Property Taxes: As a political subdivision of the state, the Yavapai College DGB has the ability to levy property taxes pursuant to ARS 42-17.

In most states, Property Taxes are generally calculated as follows:

$$\text{Assessed Value} * \text{Property Tax Rate} = \text{Property Tax Levy}$$

In these states, as the Assessed Value of properties increase, so does the Levy. Conversely, as Assessed Values decline, so does the

Levy. However, AZ is different. In AZ, the Levy remains constant, so as Assessed Values increase, the Property Tax Rate declines to keep the Levy constant. Likewise when Assessed Values decrease, the Property Tax Rate increases to keep the Levy constant. The following graphs demonstrate the inverse relationship between Assessed Value and Property Tax Rates in AZ:

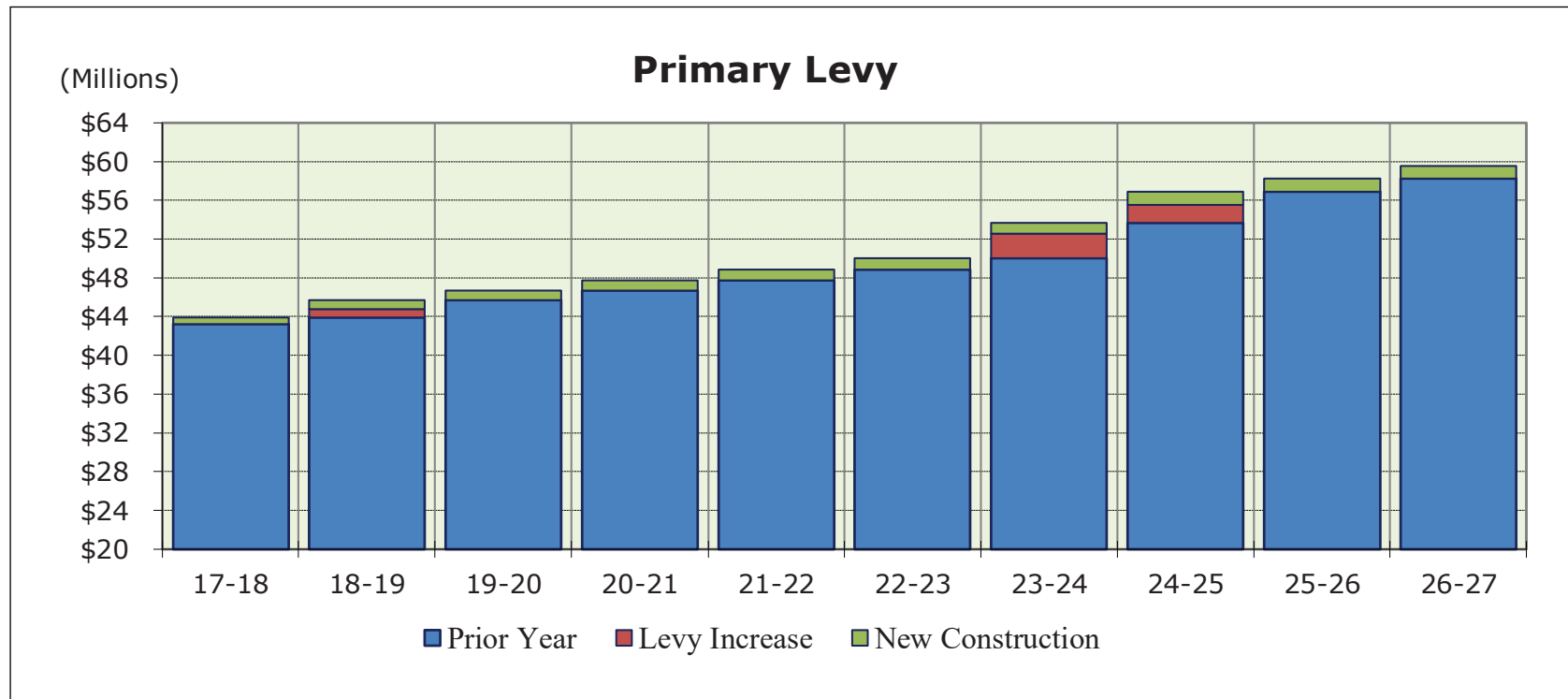


There are two ways that the Levy can increase. The first has to do with new construction. The College applies the existing Property Tax Rate to new homes and businesses that come to Yavapai County. This expands the College's financial capacity to support these new potential clients.

The second way to increase the Property Tax Levy is through the Board, which has the statutorily granted ability to raise the Levy by 2% per year. The effect is cumulative: for example, if a district forgoes a 2% increase

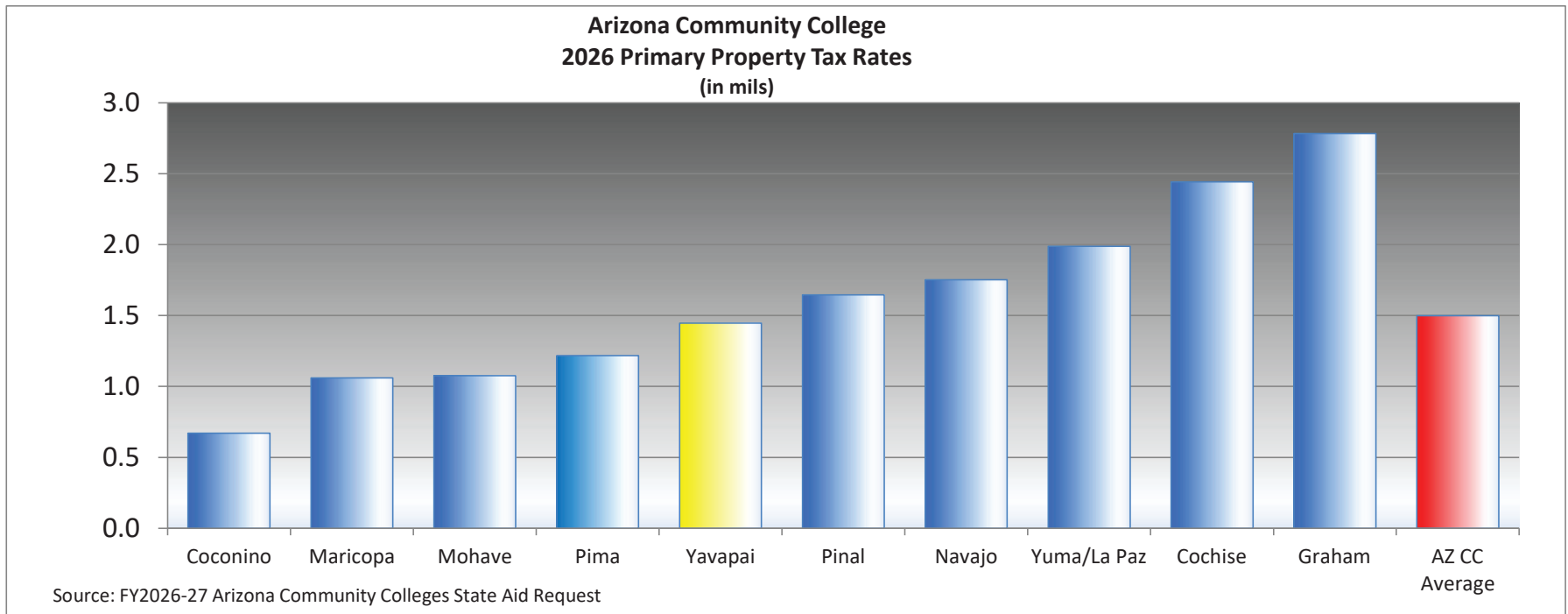
in the Levy one year, it may raise the Levy 4% in a future year. The following graph shows changes in the College's Levy:

Over the past decade, the college has increased property taxes 3 times for a total of roughly 10%, an average increase of 1% per year. This is well below the 36% inflationary increases during that same time period.



As this graph demonstrates, YC's Property Tax Rate is near the average of community colleges throughout AZ. Moreover, according to the nonpartisan taxfoundation.org, **AZ has the 4th lowest effective property tax rates in the country, and Yavapai County has the lowest effect property tax rates in the state.**

Secondary Property Taxes: These were temporary additional taxes to pay for General Obligation (GO) Bonds that voters approved in 1999 to make a variety of capital improvements throughout the district. The secondary levy ended in FY22 when the GO Bonds were fully repaid.



The College uses Primary Property Taxes to support General Fund and Plant Fund activities.

Tuition & Fees: To be more transparent, Yavapai College has moved away from general fees, program fees, and most class fees (such as Aviation flight fees or music lessons). Instead, the College has created 3 differentiated tuition rates. Our base tuition (Tier 1) covers general education courses, which are the majority of the courses we offer. Tier 2 represents the vast majority of our Career & Technical Education coursework. The Tier 2 price per student credit hour is higher than Tier 1 because these programs typically require smaller class sizes, specialized equipment, and more operating supplies. Tier 3 encompasses our Health programs and are charged a higher premium per student credit hour due to the higher costs associated with these programs.

- There are a handful of programs that charge more than Tier 3. These programs charge Market-Based tuition: Aviation, Gunsmithing, HVAC and Viticulture
- To remain affordable and accessible, YC tuition is purposefully below the national average tuition rate for community colleges, as the median income in Yavapai County is below the national average.
- Level 300 and 400 courses are offered at a 50% price premium for coursework as students work toward their Baccalaureate degrees

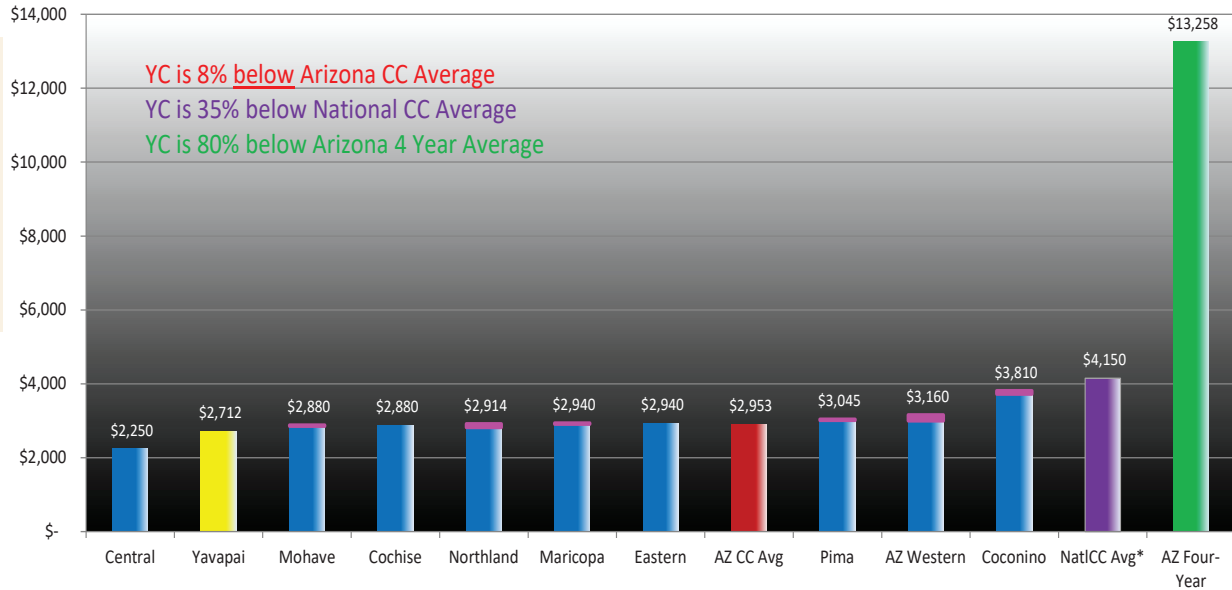
• The College offers several discounts to support our Strategic Direction including::

- 20% Full-Time Student discount (15 to Finish initiative) as an incentive for more students to attend full-time—studies have shown that full-time students are more likely to complete their certificate or degree, and reap the associated increase in earnings.
- 50% Senior Citizen discount for people 65 and older who take credit classes.
- Western Undergraduate Exchange (WUE) discount, wherein residents of 16 western states only pay 150% of in-state tuition rates, rather than the list price out of state tuition rates (roughly 300% of in-state tuition rates).
- ~90% Dual Credit discount for high school students taking College classes taught by high school teacher.
- 40% Concurrent Credit discount for high school students attending traditional public high schools, charter schools, fully-online schools or home schools taking classes taught by College faculty.

YC has created a [College Cost Comparison Tool](#) to help residents see the true savings associated with attending YC versus one of the four-year AZ public universities.

Weighted Annual Tuition and Fees - FY2025-26

Full Time - 30 Credits

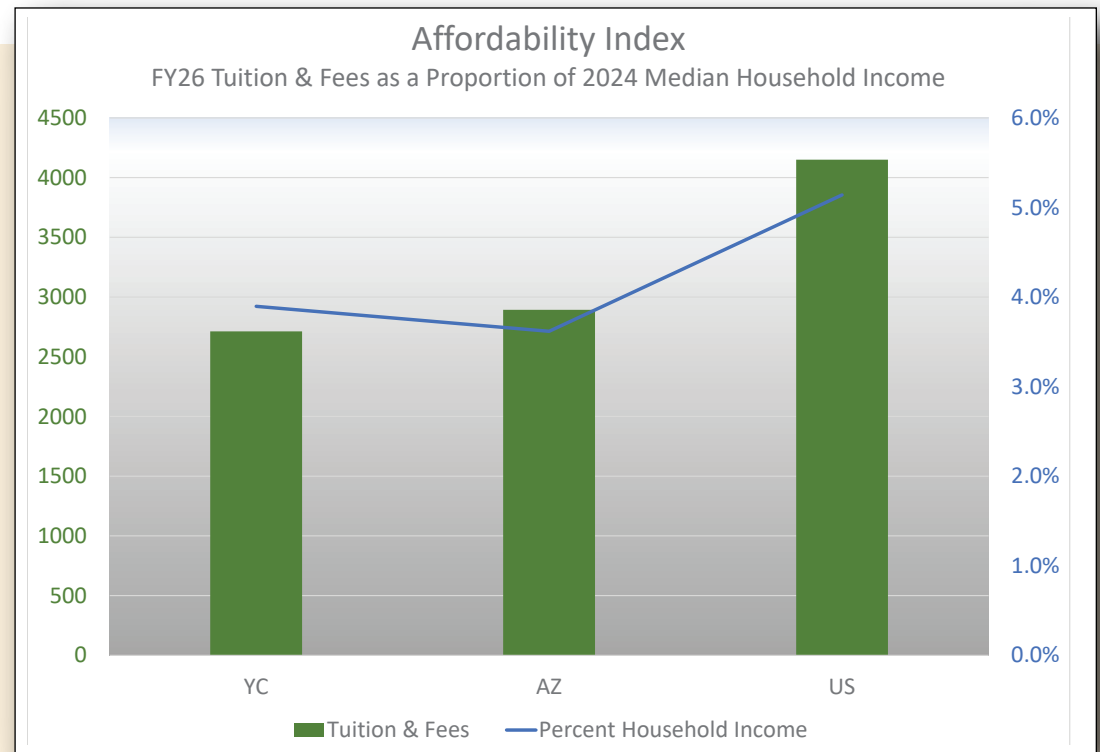


This chart demonstrates that we have competitive pricing (what students pay us) compared to our AZ and National peers. We have the **3rd lowest tuition rate for full-time students in AZ**, a state which has the **4th lowest tuition rate in the country**. And our tuition rate for part-time students is priced well-below the national average to reflect that the county's median household income is well below the national average. We are especially competitive compared to the 4-year AZ public universities, saving students roughly \$10,000 per year in Tuition (not to mention Room & Board) for their Freshman and Sophomore years.

Source: FY2020-21 Arizona Community Colleges State Aid Request.

Source: ABOR Tuition history & ABOR Annual Report

As mentioned above, the College purposefully sets pricing to remain affordable and accessible. We do this by making sure that our base tuition for part time students consumes the same (or smaller) portion of household income than at other community colleges across the nation (the Affordability Index). To compensate for Yavapai County income lagging national by 14%, YC offered tuition 18% lower than its national peers in FY2025-26 (35% lower for full-time students). Consequently, attending community college full time consumed 5.1% of the average household income nationally, but only 3.9% in Yavapai County. **The District Governing Board approved tuition increase of \$3/credit for Tier 1, \$12/credit for Tier 2, and \$63/credit for Tier 3 beginning in FY27.**



Grants: These funds come with restrictions on how they may be spent. Generally speaking, these are grouped into Federal, State, and Private sources.

- Federal
 - Adult Education: Helping adults earn General Equivalency Degree
 - Financial Aid: Pell Grants and subsidized loans
 - Vocational Education: money to support Career & Technical programs
 - FastTrack to LPN: designed to expand and accelerate nursing training programs
 - USDA Rural Development Rural Business Development Grant: to expand the SBDC’s business consulting services to businesses in target rural communities of the county
 - Small Business Administration: helping entrepreneurs to start or grow a business through training, consulting, and access to funds
 - WIOA: The Workforce Innovation and Opportunity Act is a Department of Labor initiative designed to enhance workforce development and job training programs
 - DOT: Federal program to promote Commercial Driver's training
 - Rural Business Development: promotes small business growth and job creation in rural areas
- State
 - Adult Education: matching funds for federal grant
 - Prop 301: Workforce Development funds
 - Prop 207: Workforce Development and STEM programs

- STEM: Support programs for Science, Technology, Engineering, & Math
- Nursing Initiative: Funds to expand YC RN program to address Nursing shortage

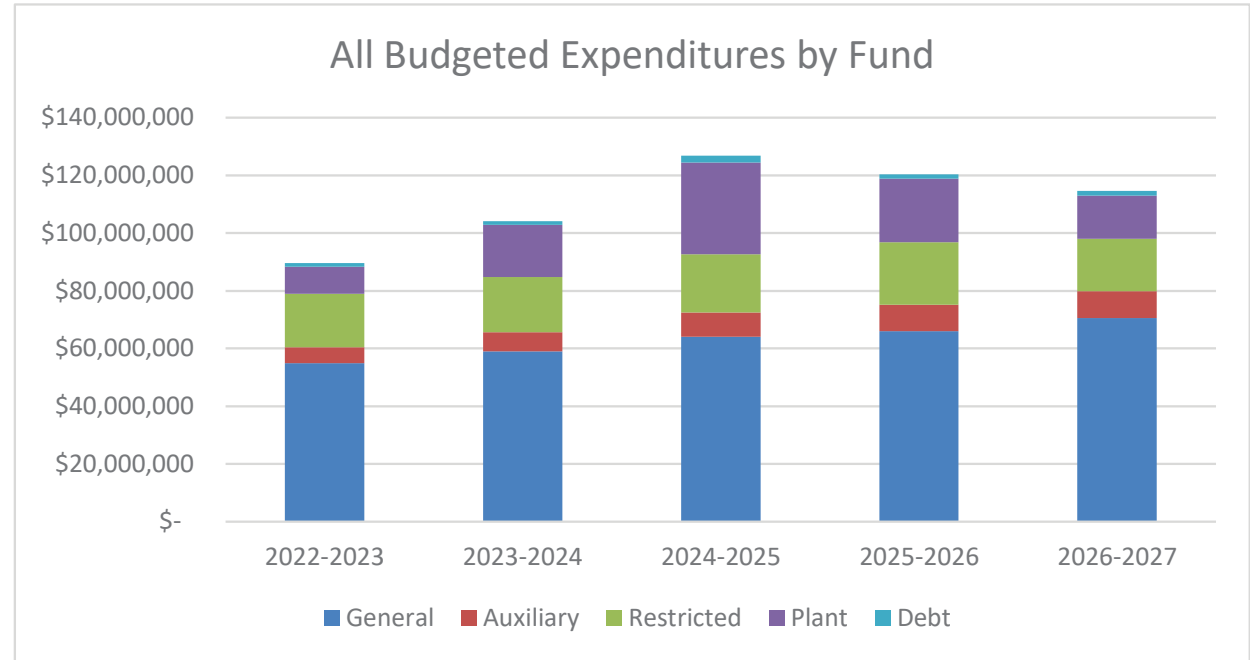
- Private
 - Osher: Support lifelong learning for 55+ adults
 - YC Foundation: Providing scholarships and program support
 - Freeport-McMoran: Support for programs related to natural resources

State Support: The state provides roughly \$24 per student credit hour of recurring unrestricted operational support. In other words, **only 3.7% of operating funds for this state institution come from the State of Arizona.** Over the past 30 years, the state has defunded community colleges, placing the primary financial burden on local communities through property taxes.

Instead, the state has begun providing restricted funds—with strings attached to achieve specific outcomes. Including restricted funds, **the state provides 8% of the colleges total budget.**

Other Sources: These revenues consist of a variety of things such as interest, facility rentals, payment plan fees, testing center fees, fitness and pool passes, federal indirect costs, and reimbursements from the YC foundation for staff salaries and benefits. This also includes Sales & Service revenues from the Auxiliary services areas such as Residence Halls, Dining Service, Book Store, etc.

DISCUSSION OF BUDGETED EXPENSES



All Budgeted Expenditures by Fund	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
General	\$ 54,908,300	\$ 59,010,200	\$ 64,025,200	\$ 65,974,600	\$ 70,539,500
Auxiliary	5,543,100	6,560,200	8,451,900	9,106,600	9,286,500
Restricted	18,448,100	19,242,800	20,152,600	21,772,500	18,217,500
Plant	9,405,500	18,028,600	31,745,500	21,973,700	14,899,500
Debt	1,258,100	1,258,600	2,416,800	1,577,900	1,643,700
	\$ 89,563,100	\$ 104,100,400	\$ 126,792,000	\$ 120,405,300	\$ 114,586,700

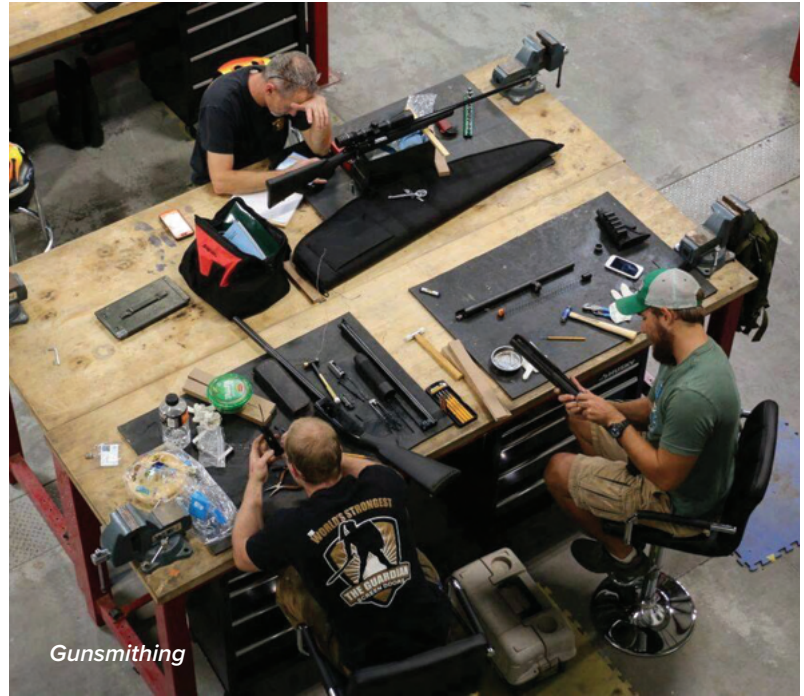
The balance of this section will discuss the trends in each fund, focusing on significant changes moving from this year's budget to next year's budget.



Horticulture



Electrical
Instrumentation
Technology

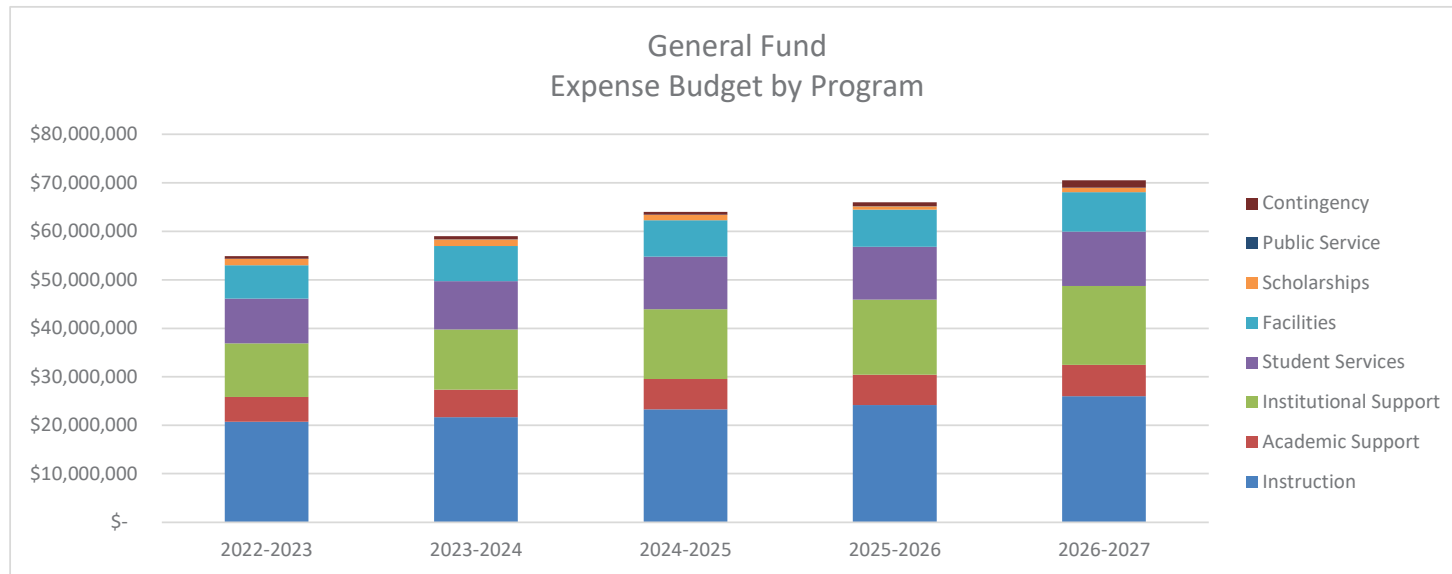


Gunsmithing

GENERAL FUND EXPENSES

This chart and table present the College’s General Fund budget by Program. All U.S. colleges and universities use these same categories to report to the federal Department of Education, and these Programs are defined in the Glossary section of this report.

The General Fund is the operating budget of the college. General Fund expenses increased at roughly 150% the rate of inflation during this 5 year span.



<u>General Fund Expense Budget by Program</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026</u>	<u>2026-2027</u>	<u>5 Yr %</u>
Instruction	\$ 20,751,600	\$ 21,652,400	\$ 23,308,900	\$ 24,154,100	\$ 25,987,100	25.2%
Academic Support	5,065,600	5,663,900	6,252,400	6,274,500	6,448,200	27.3%
Institutional Support	11,083,400	12,403,400	14,404,600	15,483,200	16,280,500	46.9%
Student Services	9,222,800	10,015,100	10,842,600	10,930,600	11,201,100	21.5%
Facilities	6,832,500	7,192,400	7,473,500	7,654,200	8,178,800	19.7%
Scholarships	1,409,900	1,440,600	1,085,800	685,100	869,000	-38.4%
Public Service	12,500	12,400	27,400	25,900	26,800	114.4%
Contingency	530,000	630,000	630,000	767,000	1,548,000	192.1%
	\$ 54,908,300	\$ 59,010,200	\$ 64,025,200	\$ 65,974,600	\$ 70,539,500	

While some of the increase was due to inflation for goods and services, the vast majority of the change can be explained through examining Salaries and Benefits:

- Annual raises remain market-competitive and keep up with the increasing Cost of Living in Yavapai County.
- Market Adjustments, Career Ladders and Promotions.
- Increases in Benefits: This includes required Fringes (Social Security, Federal and State Unemployment, Medicare and Workers Comp) as well as Medical, Retirement, Life Insurance and Tuition Waivers.
- We complied with state increases in minimum wages and federal regulations expanding Advising, Athletics, Housing and REDC while insourcing Food Services.
- We budgeted more positions to expand programs and services during this timeframe, including past strategic decisions such as expanding Athletics, REDC, and Advising, while in-sourcing Food Services. New positions for the coming year will be discussed later in this chapter.
- Please note that \$725,000 of the increase in FY2026-27 Contingency is due to a one-time deposit into our Health Reserves.



AUXILIARY FUND EXPENSES

The Auxiliary Fund tracks a variety of College enterprises that charge a fee for their non-core service. Exhibit 6 in the Budget section presents the traditional Expense by Function, while Exhibit 7 presents the anticipated Profit or Subsidy for each enterprise. It is worth noting that Table 7 excludes overhead allocations, to allow for a more meaningful evaluation of variable revenues and variable expenses. The following is a description of each enterprise:

Bookstore: The College contracts with Follett to operate its online Bookstore which works with faculty to stock the right books and school supplies to support learning, as well as merchandise to promote campus life such as branded clothing. This enterprise makes a profit, but is under pressure as more courses move to free course materials.

Community Events: In 1992, the voters of Yavapai County asked YC to build a 1000+ seat Performing Arts Center. This state-of-the-art venue is unique in Yavapai County (and at most community colleges), allowing residents to enjoy a variety of programs ranging from movies and satellite events, to College produced concerts and shows, to local events like Prescott's Got Talent, regional shows like the Phoenix Symphony, and touring national artists.

Community Events primarily encompasses programming at the YCPAC, but in recent years at the community's request, has brought performing arts programs to the Verde Valley both on campus and in a variety of community venues.

Edventures: This Community Education program educates non-credit students while traveling internationally. The costs are highly dependent on the destination and the size of the group, so it can vary from year to year. (Likewise, associated revenues go up and down depending on the destination of the program.)

Family Enrichment Center (FEC): The College runs an accredited pre-school which serves as a hands-on learning lab for adult students in our Early Childhood Education program. In addition to teaching college students best practices in early childhood education, our goal is to demonstrate how to do this in a cost-effective manner.

Food Service: The College contracts with a supplier to provide vending and Convenience Stores at various district locations. The College operates a cafeteria (The Eatery) at the Prescott Campus to feed the students living on campus. The Eatery strives to provide healthy, good-tasting food, while sourcing locally and minimizing waste. The Eatery has begun to integrate with academic programs by providing Culinary students with hands-on experience, and sourcing some produce through the Agriculture program.

Housing: For over 50 years, the College has provided Housing at its Prescott Campus. The 2 residence halls have 220 beds and service traditional-aged students providing additional support services to help young people transition into being ready to live on their own.





Residence Halls

However, the majority of YC students are non-traditional with an average age of 32. As mentioned in the Service District chapter, the costs of housing have skyrocketed. To address this, the College added several options designed to service non-traditional students and/or the College workforce including:

- Prescott Campus: one apartment to provide transitional housing for new employees.
- Verde Valley Campus: Workforce Housing options include a 5-spot RV Park, along with 5 Tiny Homes and a travel trailer. 21+ student options include 2

shared apartments than can accommodate up to 24 students.

- Chino Valley: There is a 16-spot RV park along with 2 travel trailers to rent. In addition, the college has added 4 Tiny Homes with more planned for the future. YC employees have priority, but vacant units may be rented by 21+ students.
- Prescott Pines at Yavapai College: The College purchased and renovated a summer camp for 21+ student housing during the school year, year round employee housing, and with continued use as a camp in the summer. This includes 89 student beds, 11 employee homes, and 10 RV spots.

Small Business Development Center (SBDC): The Small Business Development Center provides advising, training, and technical assistance to support business start-ups and existing small business expansion. This budget represents the mandatory matching institutional funds that must be provided in order to receive the grant.

Southwest Wine Center (SWC): The SWC encompasses the Viticulture & Enology academic program as well as a Tasting Room, where the public can purchase wines made by YC students. The academic program is accounted for within the Instruction function of the General Fund, and the Tasting Room—including vineyard expenses—is run as an Auxiliary.

Yavapai College Foundation (YCF): YCF uses a portion of several YC employees' work hours to raise funds and community awareness. YCF provides an offsetting amount of revenue to the College to compensate the College for the use of these employees' time and talents.

YC Performing Arts Productions: YC has a Performing Arts program which is accounted for in the Instruction Function of the General Fund. Classes for vocal and instrumental groups present concerts as part of their class and are accounted for in the General Fund. However, our practice is to treat plays and musical theater performances as an Auxiliary. To date, these have been subsidized.

RESTRICTED FUND EXPENSES

- As mentioned in the revenues, the College receives these grants to be used for a specific purpose.
- This is the one area of expenses we would like to see increase as it brings more money into the Yavapai County community.
- Expenses go up or down as Grants are awarded in greater or fewer numbers to the College.
- Most funds come through Federal Financial Aid grants such as PELL. These are pass-through funds that the College receives on behalf of lower income students, which the student uses to pay for tuition, books, and possibly more depending on the award. This number fluctuates with enrollments.
- Recurring restricted state revenues include STEM as well as voter-approved Proposition 207 and Proposition 301. The current budget anticipates using Proposition 301 funds primarily to support our Nursing programs, while continuing to use Proposition 207 funds to support our Regional Economic Development Center as well as seed money to launch new Career Technical Education programs that lead to living wage jobs and support the local economy.

PLANT FUND EXPENSES

There are several capital budgets monitored in this fund

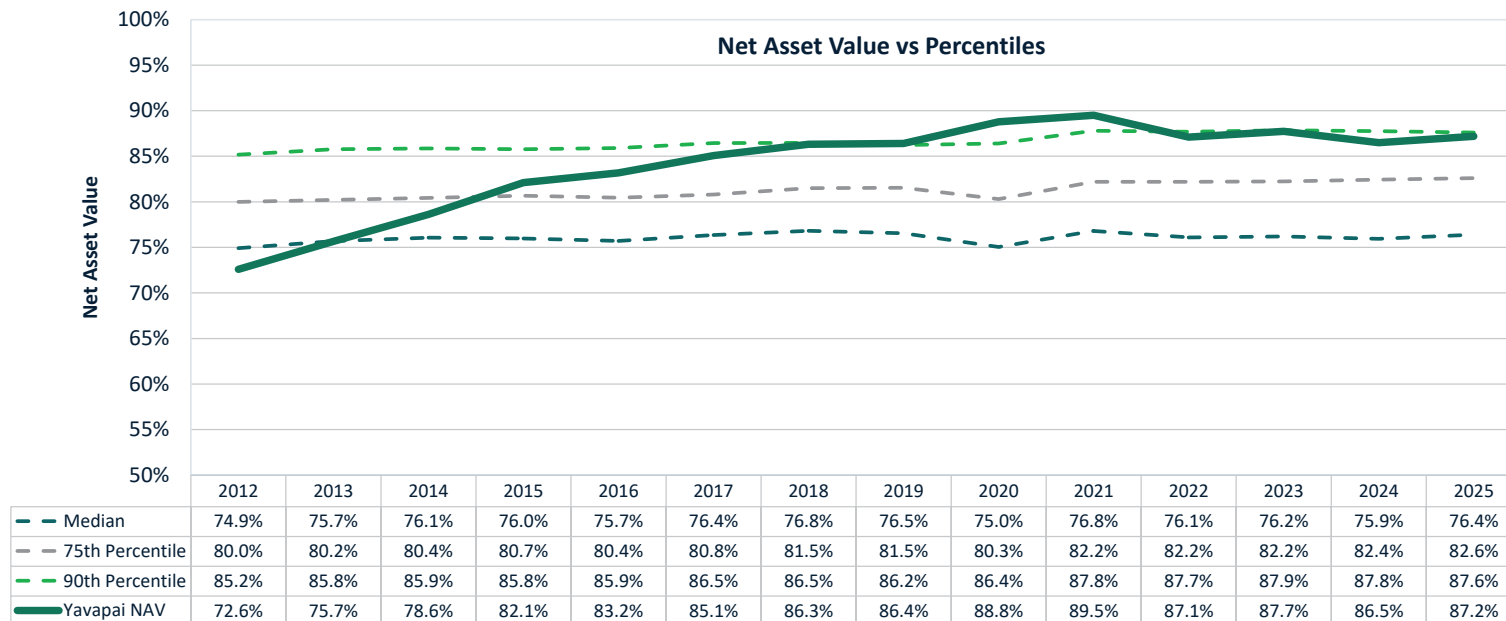
- Planned Maintenance
 - The College practices the philosophy that well-maintained assets lead to the lowest Total Cost of Ownership. According to facilities management experts at Gordian, \$1 invested in preventative maintenance will save \$4 compared to allowing the building system to fail. Planned Maintenance projects address deferred maintenance issues to extend the useful life of the assets.
 - The College operates roughly 890,000 square feet of space in Chino Valley, Clarkdale, Groom Creek, Prescott, Prescott Valley, and Sedona. In YC's FY2024-25 financial statements, the College had \$160M of net depreciable assets (building and site improvements).
 - Gordian has identified \$47M of maintenance projects coming due over the next 10 years based on the age of YC facilities and building systems, which creates a reinvestment goal of \$4.7M per year in planned maintenance.
 - The College engaged Gordian to establish a consultant specializing in higher education facilities maintenance (Gordian) to establish a process to assess the condition of various building systems (Electrical, Exterior Shell, Grounds, HVAC, Interior Shell, Mechanical, Plumbing, & Safety) throughout the district, then to prioritize strategic capital reinvestments to address our deferred maintenance via planned maintenance, rather than system failures.
 - The strategy is working. Over the past decade, YC has improved its Net Asset Value (NAV) Score ($\frac{\text{Total Replacement Value} - \text{Total 10 Year Asset Reinvestment Need}}{\text{Total Replacement Value}}$) to Best-in-Class levels.

- **Unplanned Maintenance**
 - Despite the best planning, systems fail unexpectedly. This budget is to address those issues.
- **Equipment**
 - The College reinvests in classroom and operational equipment each year to ensure that students train on the equipment they will find in the workplace, and that YC employees may be efficient. This budget is relatively flat.
- **Furniture**
 - The College systematically updates classroom and office furniture throughout the district, replacing a small portion each year. This budget is relatively flat.

- **Capital Improvement Projects**
 - This budget addresses the renovations and additions that are needed to meet the changing needs of our students and our community.
 - The CIP budget is primarily informed by the 2022 YC [Facilities Master Plan](#).
 - The Facilities Master Plan ensures that our buildings add value, not just costs, by creating a source of competitive advantage to what YC can offer above and beyond what our online competitors can do.

Yavapai NAV versus Database Percentiles

YC is in the 87th percentile in 2025



– This budget is quite variable, changing from year to year based on which projects are being addressed.

– The SmithGroup reviewed a host of YC data including the Environmental Scan, the Strategic Plan and its sub-plans, program enrollments and completions, classroom utilization rates, GIS analyses of county and student populations, and much more. SmithGroup then solicited input in a variety of ways including a survey for students and employees; a survey for civic leaders; forums with students, employees and community members; and meetings with key campus leaders and departments. Through this iterative process, the following priorities have emerged:

As a rule, the college is reluctant to build new space as there are many related annual costs which impact future Operating and Capital budgets long after the initial capital outlay. For example, buildings need to be heated, cooled, cleaned, staffed and maintained. As such, our practice has been, and continues to be, to focus on renovating existing spaces that are underutilized. However, some projects like Housing will require additional square footage.

DEBT FUND EXPENSES

The District’s debt consists of various issues of revenue bonds from direct placements that are generally callable with interest payable semiannually. Debt proceeds pay primarily for acquiring or constructing

capital facilities, remodeling existing facilities, furnishing buildings and facilities and purchasing land adjacent to existing facilities. The District repays general obligation bonds from voter-approved property taxes. Revenue bonds are repaid from tuition, fees, rentals, and other charges to students, faculty, and others.

- The college has no GO Bonds.
- The College issued Revenue Bonds primarily for 2 major projects

– Renovation of two Residence Halls on Prescott Campus. The enhancements allowed YC to raise rent to market rates. The Halls now generate enough cash flow to be financially self-sustaining, including the annual debt payment. This bond will be fully paid at the end of FY28.

– Renovation of two Libraries into Centers for Learning & Innovation, with access to digital resources, collaboration spaces, and technology enhanced virtual reality labs as well as push-button studios.

Project	Location	Target Year		Status
		To Begin		
1A	Early College Academy	P		Complete
1B	Early College Academy	VV		Complete
2	Renovate Learning Center	P	FY29	Hold
3A	Housing	VV	FY24	RV Park
		VV	FY25	Tiny Homes & Student Apartments 8/1/26
3B		CV	FY25	Tiny Homes & RVs 8/1/26
3C		P	FY24	Bldg 34 Complete
3D		Pines	FY25	Student & Workforce Apartments 10/1/26
4	Health Science Center	PV	FY29	Designed in FY24 to Fundraise, added 3 programs
5A	Electric Vehicle	CTEC	FY28	Waiting on industry standards and demand
5B	Electric Vehicle	VV	FY28	Waiting on industry standards and demand
6	REDC Move	PV		Complete
7A	Commercial Driver Training	Chino	FY23	Complete
7B	Commercial Driver Training	VV		cancelled- State only allowed Chino test site
8	Fermentation	VV		Cancelled-Wage/ demand do not merit expansion
9A	Center for Learning & Innovation	VV	FY23	Complete
9B	Center for Learning & Innovation	P	FY24	Complete
10	Acoustic Improvements	S	FY28	Hold
11	Move ITS into 1	P		updated existing space with Planned Maint.

DEBT SERVICE SCHEDULE

Year Ending June 30,	Revenue Bonds	
	Principal	Interest
2026	\$ 860,000	\$ 723,198
2027	895,000	689,760
2028	930,000	654,828
2029	560,000	618,400
2030	590,000	590,400
Total	\$ 3,835,000	\$ 3,276,585

DEBT LIMIT SCHEDULE

	2025/26	2024/25	2023/24	2022/23	2021/22
Secondary Assessed Value	\$ 4,026,883,941	\$ 3,806,627,199	\$ 3,556,683,080	\$ 3,333,228,464	\$ 3,143,221,200
Legal Debt Margin					
Debt limit - 15% of secondary assessed value	604,032,591	570,994,080	533,502,462	499,984,270	471,483,180
Amount of debt applicable to debt limit:					
General obligation bonded debt	0	0	0	0	0
Legal debt margin	\$ 604,032,591	\$ 570,994,080	\$ 533,502,462	\$ 499,984,270	\$ 500,920,699
Total general obligation bonded debt as a percentage of legal debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

Debt Ratings: In June 2024, Moody's investors service assigned an A1 issuer rating to YC with a Stable outlook. These High quality ratings have been in place for many years and are the result of the District's diverse property tax base, history of operating surpluses and strong operating performance, conservative expense management and a low debt burden.

*Whipple Cholla
Prescott Campus*



*Center for Learning and Innovation
Prescott Campus*



Viticulture



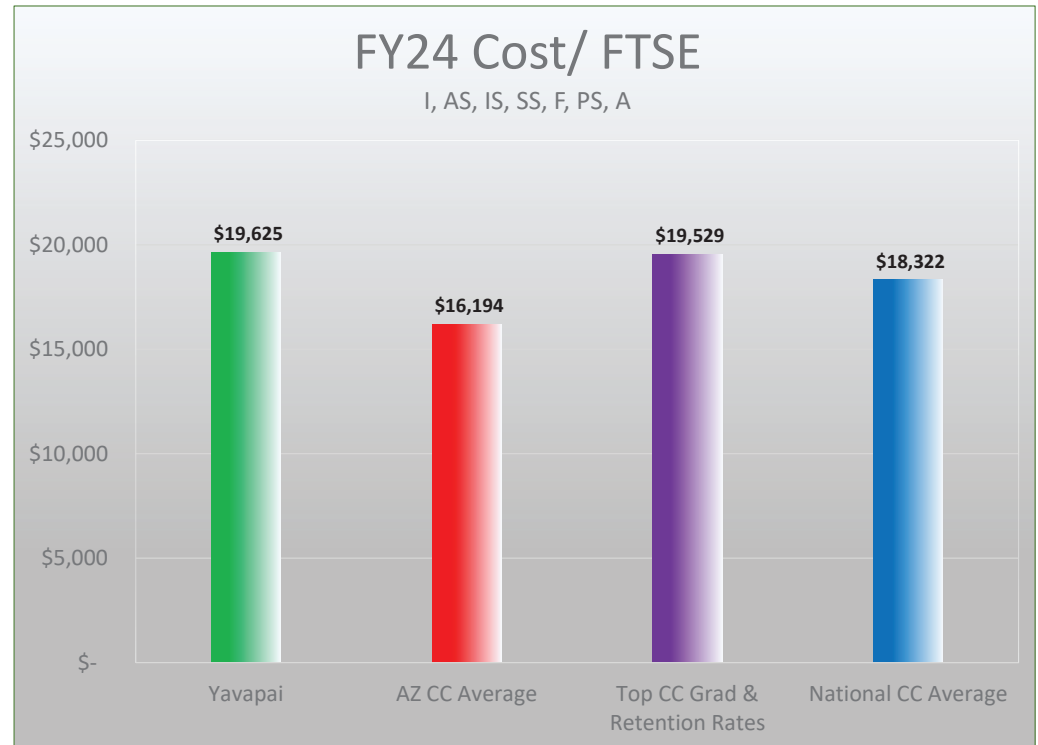
EFFICIENCY BENCHMARK

Though every community college has a similar Mission, every school has a unique combination of Teaching, Research, and Public Service programs designed to meet the unique needs of the community it serves, often leading to different costs. For example, YC has a very large service district which led it to invest in more physical assets from which to deliver services to its stakeholders. These facilities need to be staffed, heated, cooled, and maintained, which leads to a higher cost structure than many urban schools with denser populations and fewer campuses.

YC also has a high proportion of Career Technical Education programs, which cost significantly more than their General Education counterparts. Given the unique demographics of Yavapai County, YC offers considerable non-credit community education which increases costs, but not Full Time Student Equivalent (FTSE). These programs support a variety of age groups from preschoolers in our Family Enrichment Center (YC operates a lab pre-school to demonstrate best practices in Early Childhood Education) to retirees in our Osher Lifelong Learning Institute.

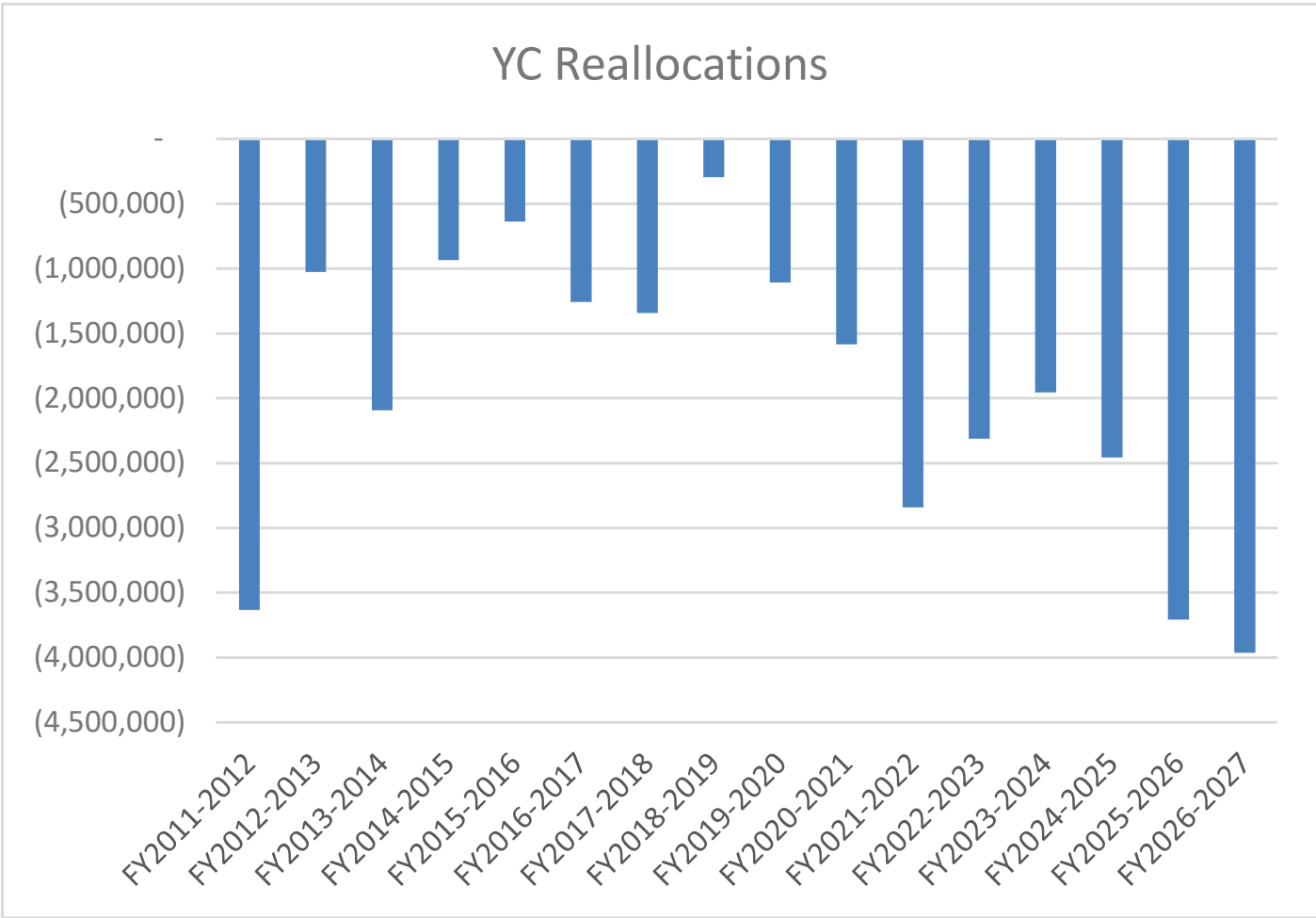
YC fields intercollegiate athletics teams and offers on-campus housing opportunities. Only half of community colleges participate in Athletics and only a fourth have Residence Halls. Finally, YC has a strong tradition of offering Community Events programs, both producing shows and sponsoring nationally touring artists to perform in Yavapai County.

All of these unique programs add costs, but also add to the value YC provides the students and the communities it serves.



YC is required to provide services at “a cost the Board believes is justifiable.” The College uses Program cost information from IPEDS to benchmark. YC is able to offer all of these unique programs and services, in addition to quality classes, at a comparable cost per student to that of our national community college peers. This graph presents the most recently available national benchmark data based on Actual Cost. This year, YC was recognized by the Aspen Institute as being in the top 20% of community colleges based on our high student outcomes in completion, transfer and employment.





YC is able to control costs, in part, through an annual reallocation process. Each year, Deans and Directors are challenged to look for cost savings opportunities within their areas of responsibility. On average, they are able to reallocate 3% of the College’s existing unrestricted

Current Funds budgets to support emerging priorities. This is achieved primarily by improving processes and eliminating vacant positions. **As part of the Budget Process, the College was able to reallocate \$3.7M (5.5%) in support of the new budget.**

LABOR COSTS AND SALARY RECOMMENDATIONS

The following table is a visual representation of the change in positions at Yavapai College by Division and Major Business Unit. As you can see, there are more positions budgeted for next year, to support the

Strategic Plan. Altogether, 20.9 net positions were added: 9.8 General and Auxiliary Fund positions were added, and 11.1 Restricted Fund positions were added.

	General and Auxiliary Funds				Restricted Funds			
	FY25	FY26	FY27	Net Change	FY25	FY26	FY27	Net Change
	<u>Budgeted</u>	<u>Budgeted</u>	<u>Budgeted</u>	<u>26 to 27</u>	<u>Budgeted</u>	<u>Budgeted</u>	<u>Budgeted</u>	<u>26 to 27</u>
President	1.9	1.9	1.9	(0.0)	-	-	-	-
DGB	1.1	1.1	1.1	0.0	-	-	-	-
Campus Safety	12.2	12.4	12.5	0.1	0.3	-	-	-
Human Resources	8.2	8.5	8.5	-	-	-	-	-
The Eatery	20.6	23.0	22.8	(0.2)	-	-	-	-
VP Finance & Administrative Services	2.0	2.5	2.5	-	-	-	-	-
Business Office	21.6	21.6	21.4	(0.2)	-	-	-	-
Facilities	59.6	60.9	60.9	0.0	-	-	-	-
ITS	41.3	41.3	40.6	(0.7)	-	-	-	-
Institutional Research	5.0	5.0	4.9	(0.1)	-	-	-	-
FEC	13.6	15.1	15.3	0.2	-	-	-	-
Southwest Wine Center	5.7	6.7	6.9	0.2	-	-	-	-
Community Relations & Legislative Affairs	3.0	3.0	3.0	-	-	-	-	-
Foundation	5.9	5.9	5.9	-	-	-	-	-
Marketing	6.3	6.6	7.7	1.0	-	1.0	-	(1.0)
Outreach Programs	1.0	1.0	1.0	-	-	-	-	-
VP Workforce Development & Health Sciences	-	-	-	-	2.0	2.0	2.0	-
REDC	3.0	2.7	3.3	0.6	10.2	8.6	7.2	(1.3)
Division 2 (Health Sciences & Public Safety)	69.9	70.7	65.7	(5.0)	10.1	5.6	16.0	10.4
Division 1 (Career Tech Ed)	59.5	58.7	61.5	2.9	1.0	2.0	1.0	(1.0)
ABE	1.0	1.0	1.0	0.0	7.7	7.4	8.3	0.8
WIOA	-	-	-	-	-	-	7.0	7.0
Provost	4.4	4.5	6.5	2.0	-	-	-	-
Athletics	21.0	20.9	19.9	(1.0)	-	-	-	-
Division 3 (Performing & Visual Arts)	47.9	55.1	57.2	2.1	-	-	-	-
Division 4 (VV, Sed, ECLA, Humanities, Social Sci, Com Ed)	49.9	49.7	51.3	1.6	3.5	3.0	3.0	-
Division 5 (Science, Computers, Math & Business)	82.0	81.9	83.2	1.3	11.4	8.9	7.9	(1.0)
Student Enrollment Management	52.5	52.6	53.3	0.7	-	-	-	-
Student Development	43.4	40.3	41.0	0.7	6.4	1.6	0.8	(0.8)
AVPIS (Instruct Support, E&LI, Scheduling, & CHP)	30.4	32.4	35.9	3.5	-	3.0	1.0	(2.0)
	674.1	687.0	696.8	9.8	52.6	43.1	54.2	11.1

STAFFING THE STRATEGIC PLAN

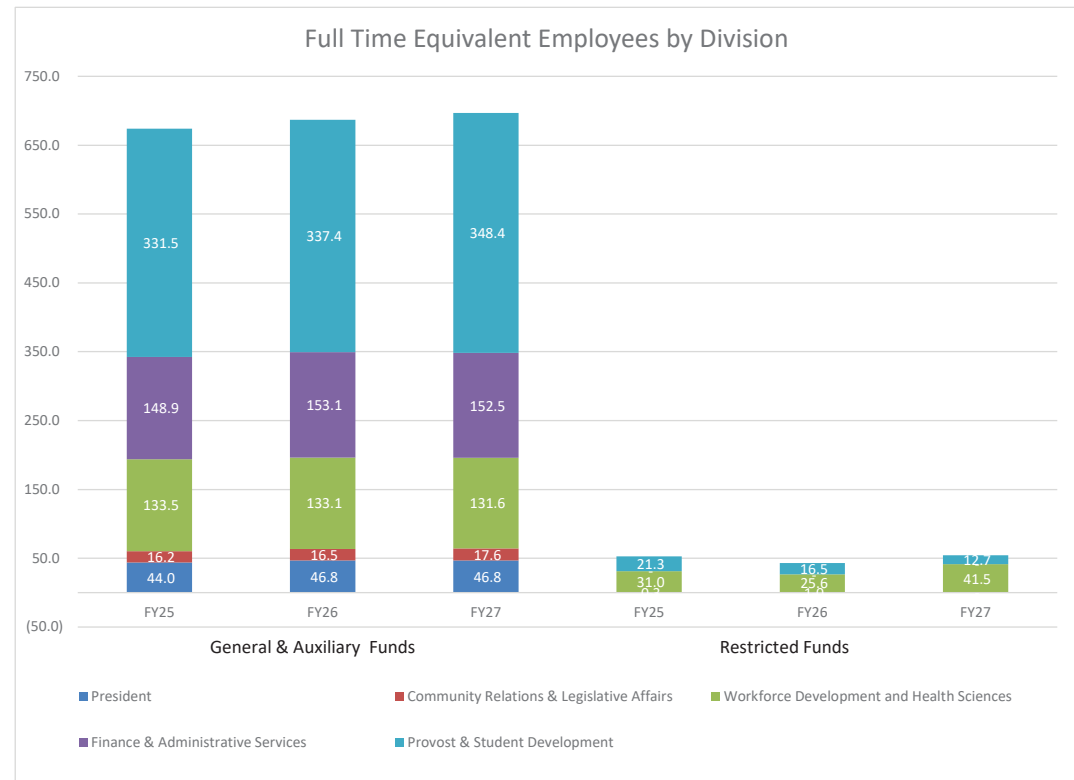
The following describes positions in each Division that either were funded during the current budget year or are planned for the coming budget year to support the Strategic Plan Goals of Belonging, Living Wage, Adult Learners, Delivery, or Foundational Capability:

Workforce Development & Health Services

- Added AHS faculty
- Moved Construction Faculty from Proposition 301 to General Fund
- Added Head Flight Instructor
- Created Director Automation and Mfg Technologies
- Shifted some Nursing Faculty to Proposition 301

Provost

- Created Articulation department (2)
- Shifted some Business Faculty from Proposition 301 to General Fund
- Added Coordinator and Technician for JLLPAC
- Shifted 2 Instructional Designers from grant to General Fund
- Added Coordinator for AVPIS





HVAC
Verde Valley



Air Traffic Control



Phlebotomy



Verde Valley
Graduation



Medical Assistant



Aviation



Ceramics

Because labor is such a large financial component of the College's budget, it is in the College's best interest to ensure salaries are market-competitive. If YC pays too much, it is incurring unnecessary costs; conversely, if YC pays too little it will incur turnover costs or the costs of hiring less-qualified, less-productive people.

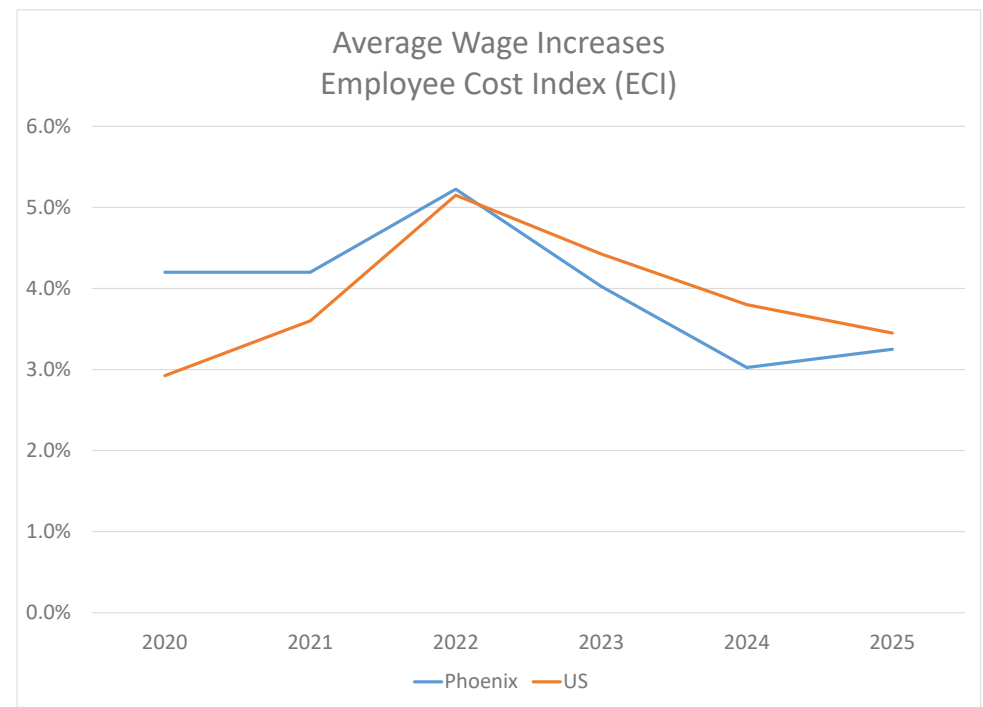
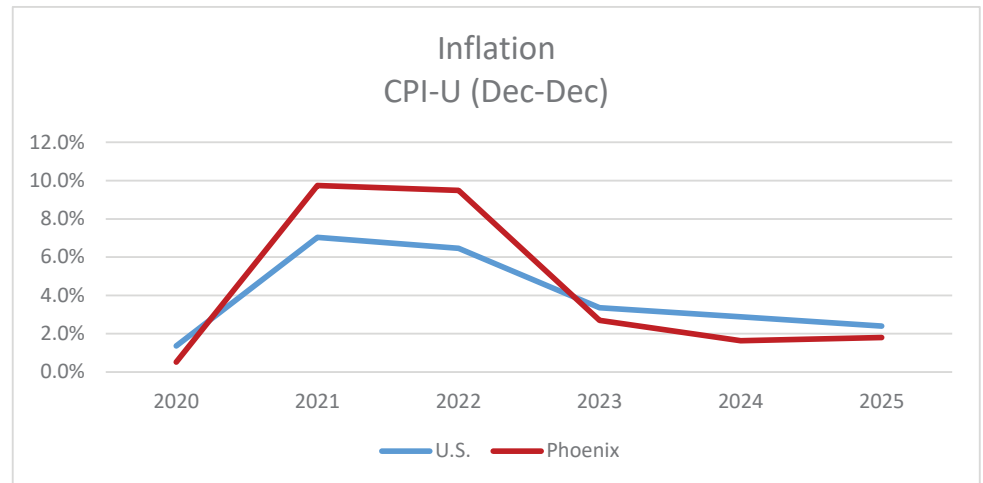
In FY23, YC retained Huron Consulting to help us achieve the proper balance. The study concluded that YC was close to market, but was 5% below market overall. In FY24, YC began a 5-year catch up plan.

In addition to the position market analyses, the College researches and evaluates benchmark data in order to make annual compensation recommendations to the Board. The College uses a variety of sources including Mercer, Korn-Ferry, and Tower-Watson to forecast salary changes in the market. This year, experts forecast a national average raise of 3.4%.

One of the federal primary estimates of inflation is the Consumer Price Index for Urban Consumers, or CPI-U, which is published by the Bureau of Labor Statistics (BLS). As you can see from the following graph, recent national inflation has been relatively high compared to historic norms.

YC also monitors the Employment Cost Index (ECI) which is also from BLS. ECI is a Principal Federal Economic Indicator that tracks changes in the costs of labor including wages and employer-provided benefits. This is used by many economists as an approximation for salary increases and is used by some businesses to help them remain competitive in the labor market.

Based on this information, the upcoming budget includes a 3% salary increase, which is near the AZ ECI for this past year.



Prescott Graduation

Findlay
PRESOTT
TOYOTA

Yavapai
COLLEGE
Get Started Today at YCEDU

BUCKY'S CASINO SUITE LEVEL

FINDLAY TOYOTA CENTER

ARIZONA RV
1100 S BROADWAY SUITE 100
PHOENIX, AZ 85040
ARIZONARV.COM

215

216

217

PRESOTT
TIRE PROS

218

219

AVYLAND
GROUP
exp



FINANCIAL PLANNING

Budget Strategy and Long-range Planning

The College's long-term financial planning includes financial forecasting for the general fund and plant fund to ensure that resources are aligned with strategic goals and support long-term sustainability. The five-year financial forecast for the general fund uses historical trends and current conditions to develop a set of reasonable assumptions to estimate revenues, expenditures and enrollment. Adjustments are made for one-time revenues and expenditures.

Long-term capital forecasting is developed from several sources including the 8 year Facilities Master Plan, the 5 year Capital improvement Plan (Exhibit 11), the 10 Year Net Asset Value assessment (Exhibit 10), and 5 year Equipment Replacement Plans (Exhibit 12).

Of particular importance is the Capital Improvement Plan which funds renovations of existing space or the construction of new space. College management is keenly aware of the operating costs associated with creating new space which includes roughly \$9/foot for utilities and cleaning, an average of 2.5% of the purchase price for annual Planned Maintenance, as well as labor costs to operate the building.

The forecasts are used to demonstrate the College's ability to financially afford to perform its Mission and deploy its Strategic Plan. As the College develops Action Plans to achieve its Strategic Goals, the resources needed to accomplish these actions are incorporated into the annual budget and long-range plan.

In addition, as a college that relies on the property tax levy, county and local economic factors will influence next year's budget. Careful monitoring of economic conditions ensures the College can construct a realistic budget tailored to achieve its strategic goals and action plans.

As has been shared throughout this Budget document, the College has adopted a variety of financial planning best practices to limit risks including transparent monthly financial reports, annual benchmarking exercises, healthy contingencies and reserves, conservative budget assumptions, financial forecasting, etc.

GFOA best practices recommend financial forecasting to guide decision making regarding financial policies and programmatic decisions. Financial forecasts help institutions maintain fiscal discipline and safeguard the delivery of essential community services. In AZ, Expenditure Limit (EL) makes this an even more important exercise, as community colleges need to ensure not only that revenues exceed expenses, but also that there is EL capacity to spend the property tax revenues. The College's base 5 year financial forecast represents what we believe to be the most likely scenario:

FIVE-YEAR PROJECTIONS OF REVENUES AND EXPENDITURES

<u>Revenues</u>	<u>FY 2026-27</u>	<u>FY 2027-28</u>	<u>FY 2028-29</u>	<u>FY 2029-30</u>	<u>FY 2030-31</u>
Property Taxes - Primary	\$ 59,318,800	\$ 61,098,400	\$ 62,931,400	\$ 64,819,300	\$ 66,763,900
General Fund - Tuition and Fees	17,224,600	18,828,400	20,462,900	22,190,600	24,029,100
State Appropriations	3,345,600	3,446,000	3,549,400	3,655,900	3,765,600
Federal Grants and Contracts	10,715,500	10,929,800	11,148,400	11,371,400	11,598,800
State Grants and Contracts	729,600	736,900	744,300	751,700	759,200
State Workforce Development Funds	4,224,500	4,393,500	4,569,200	4,752,000	4,942,100
Investment Income	1,138,500	853,900	811,200	770,600	732,100
Sales and Services	8,027,900	8,228,600	8,434,300	8,645,200	8,861,300
Private Gifts, Grants and Contracts	1,901,800	1,939,800	1,978,600	2,018,200	2,058,600
Private Gifts & Grants for Capital	1,142,000	-	4,700,000	18,800,000	18,800,000
Revenue Bond Proceeds	-	-	-	-	-
Capital Projects Accumulation Account	3,300,200	1,142,000	-	-	-
Other (Fund Balance and Miscellaneous)	3,517,700	-	-	-	-
Total Revenues	\$ 114,586,700	\$ 111,597,300	\$ 119,329,700	\$ 137,774,900	\$ 142,310,700
<u>Expenditures</u>					
General Fund	\$ 70,539,500	\$ 71,243,000	\$ 73,647,500	\$ 76,133,100	\$ 78,702,600
Auxiliary Fund	9,286,500	9,425,800	9,567,200	9,710,700	9,856,400
Restricted Fund	18,217,500	18,000,000	18,440,500	18,893,300	19,358,700
Plant Fund - Operations	1,981,000	2,020,600	2,061,000	2,102,200	2,144,200
Plant Fund - Building Maintenance Program	7,292,400	4,898,300	5,045,200	5,196,600	5,352,500
Plant Fund - Equipment Replacement Program	2,133,900	2,708,900	3,436,500	3,440,500	3,808,200
Plant Fund - Capital Improvement Plan	3,492,200	288,400	5,057,900	19,942,900	18,962,600
Plant Fund - Capital Accumulation Account (Savings)	-	500,000	1,000,000	1,500,000	3,250,000
Debt Service Fund	1,643,700	1,651,900	1,173,000	1,178,900	1,184,800
Total Expenditures	\$ 114,586,700	\$ 110,736,900	\$ 119,428,800	\$ 138,098,200	\$ 142,620,000
Favorable/(Unfavorable)	\$ -	\$ 860,400	\$ (99,100)	\$ (323,300)	\$ (309,300)

Assumptions: Primary Property Tax Levy – Assumes a 1.0% increase for operations, 2.0% growth from new construction, and adjustments as applicable to support revenue bonds.

Tuition and Fees – Assumes 3% enrollment growth and a 5.0% increase in tuition and fees, along with 20% growth in in-county BAS.

General Fund Expenditures – Assumes increases of 3% for salaries, 5% for fringe benefits, and 3% for commodities, contracted services, and utilities. Includes a **1-time 2.3% reduction** in General Fund programs and services beginning in fiscal year 2028.

Capital Equipment – Assumes 3% annual inflation.

The College has also developed a “best case” scenario to reflect more favorable assumptions. Under this scenario, modest growth in fund balance is projected, along with the ability to increase investment in capital accumulation reserves.

**FIVE-YEAR PROJECTIONS OF REVENUES AND EXPENDITURES
BEST CASE SCENARIO**

	<u>FY 2026-27</u>		<u>FY 2027-28</u>		<u>FY 2028-29</u>		<u>FY 2029-30</u>		<u>FY 2030-31</u>
Revenues									
Property Taxes - Primary	\$ 59,318,800	\$	\$ 61,098,400	\$	\$ 62,931,400	\$	\$ 64,819,300	\$	\$ 66,763,900
General Fund - Tuition and Fees	17,224,600		19,390,100		21,577,600		23,909,300		26,390,000
State Appropriations	3,345,600		3,512,900		3,688,500		3,872,900		4,066,500
Federal Grants and Contracts	10,715,500		10,929,800		11,148,400		11,371,400		11,598,800
State Grants and Contracts	729,600		736,900		744,300		751,700		759,200
State Workforce Development Funds	4,224,500		4,393,500		4,569,200		4,752,000		4,942,100
Investment Income	1,138,500		1,081,600		1,027,500		976,100		927,300
Sales and Services	8,027,900		8,228,600		8,434,300		8,645,200		8,861,300
Private Gifts, Grants and Contracts	1,901,800		1,939,800		1,978,600		2,018,200		2,058,600
Private Gifts & Grants for Capital	1,142,000		-		4,700,000		18,800,000		18,800,000
Revenue Bond Proceeds	-		-		-		-		-
Capital Projects Accumulation Account	4,442,200		1,142,000		-		-		-
Other (Fund Balance and Miscellaneous)	3,517,700		-		-		-		-
Total Revenues	\$ 115,728,700	\$	\$ 112,453,600	\$	\$ 120,799,800	\$	\$ 139,916,100	\$	\$ 145,167,700
Expenditures									
General Fund	\$ 70,539,500	\$	\$ 72,060,100	\$	\$ 73,613,400	\$	\$ 75,200,200	\$	\$ 76,821,200
Auxiliary Fund	9,286,500		9,425,800		9,567,200		9,710,700		9,856,400
Restricted Fund	18,217,500		18,000,000		18,440,500		18,893,300		19,358,700
Plant Fund - Operations	1,981,000		2,020,600		2,061,000		2,102,200		2,144,200
Plant Fund - Building Maintenance Program	7,292,400		4,898,300		5,045,200		5,196,600		5,352,500
Plant Fund - Equipment Replacement Program	2,133,900		2,708,900		3,436,500		3,440,500		3,808,200
Plant Fund - Capital Improvement Plan	3,492,200		288,403		5,057,925		19,942,875		18,962,600
Plant Fund - Capital Accumulation Account (Savings)	-		-		1,250,000		2,500,000		5,000,000
Debt Service Fund	1,643,700		1,651,900		1,173,000		1,178,900		1,184,800
Total Expenditures	\$ 114,586,700	\$	\$ 111,054,003	\$	\$ 119,644,725	\$	\$ 138,165,275	\$	\$ 142,488,600
Favorable/(Unfavorable)	\$ 1,142,000	\$	\$ 1,399,597	\$	\$ 1,155,075	\$	\$ 1,750,825	\$	\$ 2,679,100

Assumptions: Primary Property Tax Levy – Assumes a 1.0% increase for operations, 2.0% growth from new construction, and adjustments as applicable to support revenue bonds

Tuition and Fees – Assumes 5% enrollment growth and a 5% increase in tuition and fees, along with 40% growth in BAS, primarily driven by WUE

General Fund Expenditures – Assumes increases of 3% for salaries, 4% for fringe benefits, and 3% for commodities, contracted services, and utilities. Includes a **1% per year reduction** in General Fund programs and services in fiscal year 2028.

Capital Equipment – Assumes 3% annual inflation.

The College has also developed a “worst case” scenario to illustrate the potential impact of less favorable assumptions. This scenario reflects stable enrollment levels, which may not fully offset higher inflationary pressures. As a result, the model includes adjustments to spending

levels, including moderated growth in services and programs, a more limited approach to salary increases, and a slower pace of capital equipment replacement.

**FIVE-YEAR PROJECTIONS OF REVENUES AND EXPENDITURES
WORST CASE SCENARIO**

	<u>FY 2026-27</u>	<u>FY 2027-28</u>	<u>FY 2028-29</u>	<u>FY 2029-30</u>	<u>FY 2030-31</u>
Revenues					
Property Taxes - Primary	\$ 59,318,800	\$ 60,801,800	\$ 62,321,800	\$ 63,879,800	\$ 65,476,800
General Fund - Tuition and Fees	17,224,600	18,085,800	18,990,100	19,939,600	20,936,600
State Appropriations	3,345,600	3,345,600	3,345,600	3,345,600	3,345,600
Federal Grants and Contracts	10,715,500	10,929,800	11,148,400	11,371,400	11,598,800
State Grants and Contracts	729,600	736,900	744,300	751,700	759,200
State Workforce Development Funds	4,224,500	4,393,500	4,569,200	4,752,000	4,942,100
Investment Income	1,138,500	1,081,600	1,027,500	976,100	927,300
Sales and Services	8,027,900	8,228,600	8,434,300	8,645,200	8,861,300
Private Gifts, Grants and Contracts	1,901,800	1,939,800	1,978,600	2,018,200	2,058,600
Private Gifts & Grants for Capital	1,142,000	-	4,700,000	18,800,000	18,800,000
Revenue Bond Proceeds	-	-	-	-	-
Capital Projects Accumulation Account	4,442,200	-	-	-	-
Other (Fund Balance and Miscellaneous)	3,517,700	-	-	-	-
Total Revenues	\$ 115,728,700	\$ 109,543,400	\$ 117,259,800	\$ 134,479,600	\$ 137,706,300
Expenditures					
General Fund	\$ 70,539,500	\$ 73,317,000	\$ 76,203,900	\$ 79,204,400	\$ 82,323,100
Auxiliary Fund	9,286,500	9,425,800	9,567,200	9,710,700	9,856,400
Restricted Fund	18,217,500	18,000,000	18,440,500	18,893,300	19,358,700
Plant Fund - Operations	1,981,000	2,020,600	2,061,000	2,102,200	2,144,200
Plant Fund - Building Maintenance Program	7,292,400	4,898,300	5,045,200	5,196,600	5,352,500
Plant Fund - Equipment Replacement Program	2,133,900	2,573,455	3,264,675	3,268,475	3,617,790
Plant Fund - Capital Improvement Plan	3,492,200	288,403	5,057,925	19,942,875	18,962,600
Plant Fund - Capital Accumulation Account (Savings)	-	-	-	-	-
Debt Service Fund	1,643,700	1,651,900	1,173,000	1,178,900	1,184,800
Total Expenditures	\$ 114,586,700	\$ 112,175,458	\$ 120,813,400	\$ 139,497,450	\$ 142,800,090
Favorable/(Unfavorable)	\$ 1,142,000	\$ (2,632,058)	\$ (3,553,600)	\$ (5,017,850)	\$ (5,093,790)

Assumptions: Primary Property Tax Levy – Assumes a 1.0% increase for operations, 1.5% growth from new construction, and adjustments as applicable to support revenue bonds.

Tuition and Fees – Assumes no enrollment growth and a 5% increase in tuition and fees. No growth in BAS is assumed.

General Fund Expenditures – Assumes increases of 2% for salaries, 7% for fringe benefits, and 6% for commodities, contracted services, and utilities. Includes **no reduction** in General Fund programs and services.

Capital Equipment – Assumes a 6% annual inflation rate and a 10% reduction in replacement spending.

Strategic Initiatives – Assumes initiatives will be funded through reallocation of existing resources.

EXPENDITURE LIMIT (EL)

In 1980, Arizona voters approved a series of constitutional amendments aimed at limiting government spending and taxation. One of these, Proposition 109, established an expenditure limitation (EL) for school districts and community college districts. These measures were adopted during a period of high inflation and concern about the growth of government spending, and are similar in intent to California's Proposition 13.

Arizona's Constitution (Article IX, Section 21) defines how the expenditure limitation is calculated and applied. At its core, EL places a cap on spending from local revenues, primarily those derived from property taxes. Importantly, EL does not restrict total spending—only certain operating expenditures funded by local tax revenues. Revenues such as tuition, grants, gifts, contract training, auxiliary operations, and other entrepreneurial activities are excluded. In addition, certain expenditures—most notably capital-related spending—are not subject to the limitation. Because EL is established in the Constitution, any changes would require voter approval through a statewide ballot.

In simple terms, the expenditure limitation is based on what districts were allowed to spend per capita in 1980, adjusted over time for both inflation and population growth. Inflation is applied using a national economic measure (the Gross Domestic Product deflator), while population growth for community colleges is measured by student enrollment.

Districts that exceed their expenditure limitation may be subject to financial penalties. Conversely, if a district spends less than its limit in a given year, it may carry forward that unused capacity to future years. This “carryforward” provides flexibility and can be used as a financial cushion when needed.

The calculation of EL begins with each district's 1979–80 spending level and adjusts it annually based on changes in student population and inflation. For community colleges, student population is measured using full-time student equivalents (FTSE), as defined in state statute. FTSE is based on audited enrollment and includes additional weighting for Career and Technical Education (CTE) students. Colleges may calculate their allowable student population using one of several methods: the prior year's audited weighted FTSE, an average of the past five years, or the prior year's total increased by up to 5 percent in cases of enrollment growth.

Community college enrollment, measured in FTSE, has generally declined nationwide since its peak around fiscal year 2011. This trend reflects the historical relationship between enrollment and economic conditions. During periods of higher unemployment, individuals are more likely to enroll in community colleges to gain new skills or retrain. As the economy strengthens and job opportunities increase, many of these individuals return to the workforce, which can result in declining enrollment levels.

The College is required to calculate and report its expenditure limitation annually, and this report is audited by the Arizona Auditor General. In addition, the College incorporates EL into its five-year financial projections to monitor compliance over time.

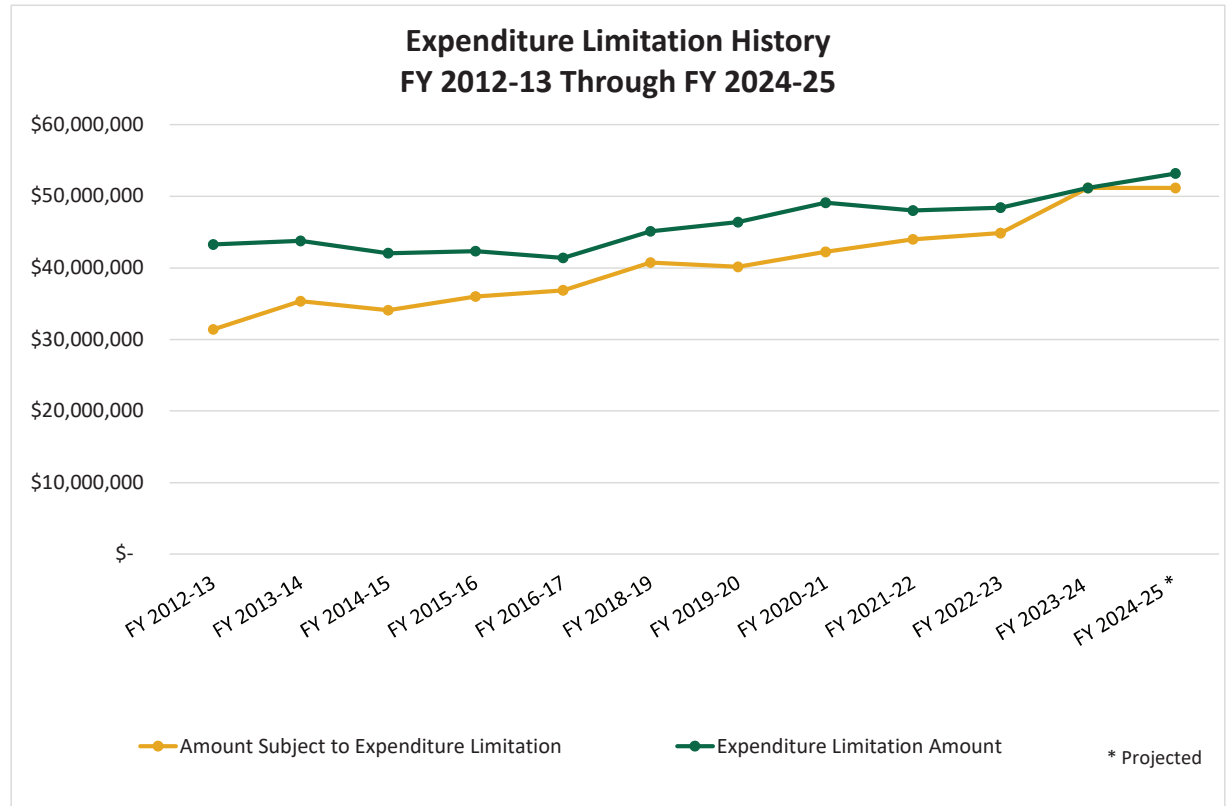
As previously shared with the District Governing Board, the College's margin under the expenditure limitation is relatively narrow but has remained stable, assuming consistent enrollment levels. Prudent fiscal management has allowed the College to accumulate approximately \$45.0 million in EL carryforward.

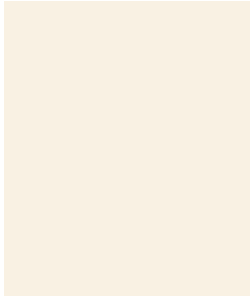
This carryforward provides important financial flexibility. If necessary, the College could temporarily operate above its annual expenditure limitation without immediate penalty, allowing time to adjust operations—either by aligning expenditures with the limitation or by increasing enrollment.

Community College FTSE have been in decline nationally since the peak in fiscal year 2011. This reflects the correlation between community college enrollments and unemployment. When people lose their jobs, they go to community colleges to upskill and retool; as the economy improves, these students re-enter the workforce, whether or not they complete their credential.

The College is required to calculate and report EL every year, and the report is audited by the Arizona Auditor General. YC also uses its 5 year Financial Projections of Revenues and Expenses to develop a 5 year EL forecast. As has been shared with the DGB in the past, YC’s Expenditure Limit margin is relatively slim but stable—as long as enrollments remain stable. Sound fiscal management has allowed the College to build up substantial “carryforward” reserves of \$29.0M.

Because of this, the College could operate beyond its allowable EL for several years before being penalized if need be. This would give the College the time it would need to downsize its budget or to grow enrollments.





EXPENDITURE LIMITATION COMPLIANCE

	Current Funds			Plant Funds		TOTAL
	Unrestricted		Restricted	Plant	Debt	
	General	Auxiliary				
PROJECTED BUDGET EXPENDITURES FOR EXPENDITURE LIMITATION (see below)	\$ 69,239,500	\$ 9,236,500	\$ 18,217,500	\$ 6,357,900	\$ 1,643,700	\$ 104,695,100
LESS EXCLUSIONS						
DEBT PROCEEDS	-	-	-	-	-	-
DEBT SERVICE/BONDED INDEBTEDNESS	-	-	-	-	1,641,300	1,641,300
DIVIDENDS, INTEREST AND GAIN ON SALE	638,500	-	-	540,000	-	1,178,500
GRANTS & AID FROM FEDERAL & STATE GOVERNMENT	-	-	11,445,100	-	-	11,445,100
GRANTS/CONTRIBUTIONS FROM PRIVATE AGENCIES	73,320	791,900	1,280,200	-	-	2,145,420
PRIVATE GIFTS FOR CAPITAL	-	-	-	1,142,000	-	1,142,000
PROP. 207 & 301 FUNDS	-	-	4,729,700	-	-	4,729,700
AMOUNTS ACCUMULATED TO PURCHASE LAND AND CAPITAL	-	-	-	1,000,000	-	1,000,000
RESEARCH AND ENTREPRENEURIAL ACTIVITES	-	5,080,100	-	-	-	5,080,100
TUITION AND FEES	16,877,600	2,263,100	-	-	-	19,140,700
PRIOR YEARS CARRY FORWARD USED	-	-	-	3,000,000	-	3,000,000
TOTAL EXCLUSIONS	\$ 17,589,420	\$ 8,135,100	\$ 17,455,000	\$ 5,682,000	\$ 1,641,300	\$ 50,502,820
BUDGET EXPENDITURES SUBJECT TO LIMIT	\$ 51,650,080	\$ 1,101,400	\$ 762,500	\$ 675,900	\$ 2,400	\$ 54,192,280
BUDGETED EXPENDITURE LIMITATION AS CALCULATED BY THE ECONOMIC ESTIMATES COMMISSION						\$ 63,474,765
AMOUNT (OVER) UNDER LIMITATION						\$ 9,282,485
PRIOR YEARS CARRY FORWARD AVAILABLE FOR USE:						
Balance Available as of July 1, 2025	\$ 26,641,281	\$ -	\$ 5,296,181	\$ 13,779,582	\$ -	\$ 45,717,044
BUDGETED EXPENDITURES	\$ 70,539,500	\$ 9,286,500	\$ 18,217,500	\$ 7,899,500	\$ 1,643,700	\$ 107,586,700
Less: Budgeted Items Not Expected to be Spent:						
Contingencies	300,000	50,000	-	1,541,600	-	1,891,600
Allowance for Unexpended Budget (e.g. vacancy savings etc.)	1,000,000	-	-	-	-	1,000,000
Total adjustments	\$ 1,300,000	\$ 50,000	\$ -	\$ 1,541,600	\$ -	\$ 2,891,600
PROJECTED BUDGETED EXPENDITURES FOR EXPENDITURE LIMITATION	\$ 69,239,500	\$ 9,236,500	\$ 18,217,500	\$ 6,357,900	\$ 1,643,700	\$ 104,695,100

FIVE-YEAR PROJECTIONS OF EXPENDITURE LIMITATION COMPLIANCE

	<u>FY 2026-27</u>	<u>FY 2027-28</u>	<u>FY 2028-29</u>	<u>FY 2029-30</u>	<u>FY 2030-31</u>
<u>Expenditures</u>					
General Fund	\$ 70,539,500	\$ 71,243,000	\$ 73,647,500	\$ 76,133,100	\$ 78,702,600
Auxiliary Fund	9,286,500	9,425,800	9,567,200	9,710,700	9,856,400
Restricted Fund	18,217,500	18,000,000	18,440,500	18,893,300	19,358,700
Plant Fund - Operations	1,981,000	2,020,600	2,061,000	2,102,200	2,144,200
Plant Fund - Building Maintenance Program	7,292,400	4,898,300	5,045,200	5,196,600	5,352,500
Plant Fund - Equipment Replacement Program	2,133,900	2,708,900	3,436,500	3,440,500	3,808,200
Plant Fund - Capital Improvement Plan	3,492,200	288,400	5,057,900	19,942,900	18,962,600
Plant Fund - Contributions to Capital Projects	-	500,000	1,000,000	1,500,000	3,250,000
Debt Service Fund	1,643,700	1,651,900	1,173,000	1,178,900	1,184,800
Contingencies	(1,891,600)	(712,500)	(712,500)	(712,500)	(712,500)
Not Expected to be Expended	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Total Adjusted Expenditures	\$ 111,695,100	\$ 109,024,400	\$ 117,716,300	\$ 136,385,700	\$ 140,907,500
<u>Exclusions</u>					
Debt Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -
Bond Debt Service Payments	1,641,300	1,651,900	1,173,000	1,178,900	1,184,800
Interest Income	1,178,500	853,900	811,200	770,600	732,100
Federal & State Grants	11,445,100	11,666,700	11,892,700	12,123,100	12,358,000
Gifts from Private Agencies	2,145,420	1,939,800	1,978,600	2,018,200	2,058,600
Private Gifts & Grants for Capital	1,142,000	-	4,700,000	18,800,000	18,800,000
Amounts Accumulated - Capital	1,000,000	1,000,000	3,197,900	3,579,700	3,083,600
Research and Entrepreneurial Activities	5,080,100	5,181,700	5,285,300	5,391,000	5,498,800
Tuition & Fees	19,140,700	20,097,700	21,102,600	22,157,700	23,265,600
Prop 207 & 301 Funds	4,729,700	4,393,500	4,569,200	4,752,000	4,942,100
Prior Years Carryforward Used	3,000,000				
Total Exclusions	\$ 50,502,820	\$ 46,785,200	\$ 54,710,500	\$ 70,771,200	\$ 71,923,600
Expenditures Subject to Limitation	\$ 61,192,280	\$ 62,239,200	\$ 63,005,800	\$ 65,614,500	\$ 68,983,900
Estimated Expenditure Limitation	63,474,765	66,013,700	68,654,250	71,400,400	74,256,400
Favorable/(Unfavorable)	\$ 2,282,485	3,774,500	5,648,400	5,785,900	5,272,500
EL FTSE Estimates	3,800	3,914	4,031	4,152	4,277

Assumptions: The Five-Year Expenditure Limitation projections are based on the Five-Year Revenue & Expense projections.
The Estimated Expenditure Limitation amounts are based upon 3% FTSE growth and moderate inflation (GDP).

Expenditure Limitation Credit Carryforward - \$26.6M

A woman with long blonde hair tied back, wearing glasses and a plaid dress with an orange apron, is painting a desert landscape on an easel. The painting depicts a cactus, mountains, and a blue sky with clouds. She is holding a smartphone in her left hand. The studio is filled with art supplies, including paint palettes, brushes, and a roll of paper towels. In the background, another person is visible, and a blue tarp is hanging from the ceiling.

YAVAPAI COLLEGE

GLOSSARY

1. FUND ACCOUNTING

Fund accounting is an accounting and reporting system required to be used by independent colleges and universities to keep track of resources whose use is limited by donors, granting agencies, law, other outside individuals or entities or by governing boards. A fund is maintained for each specific purpose.

1a. Current Funds

The current funds group consists of funds expendable for current operating purposes, and is divided into two unrestricted funds, General and Auxiliary, as well as Restricted Funds.

1b. General Fund

This fund records revenues and expenses which fund the primary operations (education and related services) of the College.

1c. Auxiliary Fund

This fund reports activities for which a fee is charged for non-core goods or services.

1d. Restricted Fund

Restricted funds are operating funds for which the use has been limited for a specific purpose by external parties, contracts, or legislation. Externally imposed restrictions are different from internally created designations established by the governing board on unrestricted funds because restrictions cannot be removed without the external parties' consent.

1e. Plant Fund

This fund tracks resources and expenditures related to capital outlays. Capital outlays/expenditures include land purchases, the acquisition

or construction of facilities, high dollar renovations or repairs, and the purchase of furniture and equipment. Generally, furniture and capital equipment costs more than \$5,000, have a useful life of greater than one year, and would normally not be purchased from the general fund.

1f. Debt Fund

This fund tracks revenues and expenditures related to the payment of principal, interest, and related charges on outstanding bonds and capital leases.

2. FUNCTIONAL EXPENSES

A functional (or program) expense classification is a method of grouping expenses according to the purpose for which the costs are incurred. The classifications tell why an expense was incurred rather than what was purchased. Reporting expenses by functional classification helps donors, granting agencies, creditors, and other readers of the financial statements to understand the various mission-related activities of the institution and their relative importance. The following Functions (Programs) are the standard categories used by colleges and universities to report expenses to the federal Department of Education:

2a. Instruction

The instruction classification includes expenses for all activities that are part of an institution's instruction program. Expenses for credit and non-credit courses; academic, vocational, and technical instruction; remedial and tutorial instruction; and regular, special, and extension sessions are included.

Expenses for departmental research and public service that are not separately budgeted also are included in this classification.

This classification excludes expenses for those academic personnel whose primary activity is administration—for example, academic deans.

2b. Public Service

The public service classification includes expenses for activities established primarily to provide non-instructional services for the benefit of individuals and groups that are external to the institution. These activities include community service programs (excluding instructional activities) and cooperative extension services. Included in this classification are conferences, institutes, general advisory services, reference bureaus, radio and television, consulting, and similar non-instructional services to particular sectors of the community.

2c. Student Services

The student services classification includes expenses incurred for offices of admissions and the registrar and activities that, as their primary purpose, contribute to students' emotional and physical well-being and intellectual, cultural, and social development outside the context of the formal instruction program. This classification includes expenses for student activities, cultural events, student newspapers, intramural athletics, student organizations, intercollegiate athletics (if the program is not operated as an auxiliary enterprise), counseling and career guidance (excluding informal academic counseling by the faculty), student aid administration, and student health service (if not operated as an auxiliary enterprise).

2d. Academic Support

The academic support classification included expenses incurred to provide support services for the institution's primary programs of instruction, research, and public service. It includes the following activities:

- The retention, preservation, and display of educational materials, such as libraries, museums, and galleries. The provision of services that directly assist the academic

function of the institution, such as demonstration schools associated with a department, school, or college of education.

- Media, such as audio-visual services, and technology, such as computing support.
- Academic administration (including academic deans but not department chairpersons) and personnel providing administrative support and management direction to the three primary missions.
- Separately budgeted support for course and curriculum development.



*Sculpture Garden
Prescott Campus*

Also included are information technology expenses related to academic support activities; if an institution does not separately budget and expense information technology resources, the costs associated with the three primary programs (Instruction, Research, Public Service) will be applied to this function, with the remainder to institutional support.

2e. Institutional Support

The institutional support classification includes expenses for central, executive-level activities concerned with management and long-range planning for the entire institution, such as the governing board, planning and programming operations, and legal services; fiscal operations, including the investment office; administrative information technology (when not accounted for in other categories); space management; employee personnel and records; logistical activities that provide procurement, storerooms, printing, and transportation services to the institution; support services to faculty and staff that are not operated as auxiliary enterprises; and activities concerned with community and alumni relations, including development and fundraising.

Appropriate allocations of institutional support should be made to auxiliary enterprises, hospitals, and any other activities not directly related to the primary programs—instruction, research, and public service—or their related support classifications.

2f. Operation and Maintenance of Plant (O&M)

The Operation and Maintenance of Plant category includes all expenses for the administration, supervision, operation, maintenance, preservation, and protection of the institution's physical plant. These expenses include items such as janitorial and utility services; repairs and ordinary or normal alterations of buildings, furniture, and equipment; care of grounds; maintenance and operation of buildings and other plant facilities; security; earthquake and disaster preparedness; safety; hazardous waste disposal; property, liability, and all other insurance relating to property; space and capital leasing; facility planning and management; and central receiving.

2g. Auxiliary enterprises

An auxiliary enterprise exists to furnish goods or services to students, faculty, staff, other institutional departments, or incidentally to the general public, and charges a fee directly related to, although not necessarily equal to, the cost of the goods or services. The distinguishing characteristic of an auxiliary enterprise is that it is managed to operate as a self-supporting activity. Over time, the revenues will equal or exceed the expenses, although in any individual year there may be a deficit or a surplus. Examples are residence halls, food services, intercollegiate athletics (if operated as essentially self-supporting), college stores, faculty clubs, parking, and faculty housing. Student health services, when operated as an auxiliary enterprise, also are included. Hospitals, although they may serve students, faculty, or staff, are classified separately because of their financial significance.

3. NATURAL EXPENSE CLASSIFICATIONS

These classifications generally represent the largest areas of expenses incurred by institutions. Based on examining current reporting practices by higher education institutions, the National Association of College and University Business Officers (NACUBO) suggests that an institution use the following classifications to describe what goods and services are purchased:

- salaries and wages
- employee benefits
- scholarships and fellowships
- travel
- supplies
- utilities
- contractual services
- depreciation
- interest
- other

3a. Salaries & Wages

The salaries and wages classification includes expenses for all amounts paid and owed to faculty, staff, and student-workers, including full-time and part-time employees.

3b. Benefits

This classification includes expenses for all benefits paid to or on behalf of faculty, staff, and student employees. It includes amounts required by law, contractual agreement, or institutional practice. These benefits include the institution's portion of Social Security, payroll taxes, pension, health care, workers' compensation, disability insurance, life insurance, tuition remission, vacations, sick pay, sabbaticals, and other employee-related benefit programs.

3c. Scholarships and Fellowships

Scholarships and fellowships expense may be considered both a functional and natural expense classification. Institutions generally report tuition discounts and allowances and scholarships as reductions of tuition and fees revenues. Certain amounts may still be reported as a natural expense classification in financial statements. Institutional resources provided to students as financial aid are recorded as scholarship allowances up to amounts owed by students. In some circumstances, the amount of aid awarded may exceed the tuition and fees, housing, and meals provided by or procured from the institution. In those circumstances, the excess of aid over tuition and fees and institutional housing and meals should be treated as an expense.

3d. Travel

This classification includes travel for all personnel for institutional activities such as meetings, training, recruiting, fund raising, and sporting competitions.



3e. Supplies

This classification is very broad and includes supplies for administration, instruction, research, and medical purposes. It also includes equipment purchased that does not meet the institution's capitalization threshold.

3f. Utilities

This classification includes expenses related to heating, cooling, light and power, gas, water, telephone, and any other utilities necessary for the operation of the physical plant.

3g. Contractual Services

This classification generally is significant monetarily and covers a broad range of expenses including legal, audit, custodial, security, maintenance, repairs, postage, mailing and messenger, printing and duplicating, freight, advertising, rental of real and personal property, professional fees, professional development, and dues.

3h. Depreciation

This classification includes both depreciation of the institution's plant, property, and equipment, depletion, and amortization of assets acquired by capital lease.

3i. Interest

This classification includes interest expense on capital debt, the portion of payments on capital leases that is classified as interest expense, and interest expense on other borrowings, such as those for working capital or student loans.

3j. Other

Expenses that do not fit in any of the classifications above are included in this classification.

4. OTHER

1. **Balanced Budget:** a balanced budget is a budget for which revenues plus other sources (e.g. fund balance) equal or exceed expenditures.
2. **CTE:** Career and Technical Education are courses that may transfer but always prepare students to enter the workforce. The 16 common CTE Clusters include: Agriculture & Natural Resources, Architecture & Construction, Arts & A/V Technology, Business, Education, Finance, Government & Public Administration, Health Sciences, Hospitality & Tourism, Human Services, Information Technology, Law & Public Safety, Manufacturing, Marketing, Science & Engineering, and Transportation.
3. **Fund Balance:** The fund balance is the balance of a fund after all liabilities have been deducted from the assets of the fund. Also called Fund Equity.

Beginning Fund Balance: Represents the ending fund balance from the previous fiscal year that can be used to fund the current (or future) fiscal year(s).

Ending Fund Balance: Represents the beginning fund balance plus total annual revenues minus the total annual expenditures.



YAVAPAI COLLEGE

APPENDICES

STATE BUDGET FORMS

PUBLIC NOTICE
YAVAPAI Community College District
PUBLIC HEARING AND SPECIAL BOARD MEETING NOTICE

Notice is hereby given to the residents and taxpayers of the Yavapai County Community College District that the District Governing Board will hold a Public Hearing and a Special Board Meeting for consideration of the proposed Budget for the 2026-2027 fiscal year.

The Hearing will be held on Tuesday, May 26, 2026, at 1:00 p.m. at the Prescott Campus Rockhouse (1100 E. Sheldon St, Prescott, Az 86301) and/or Online (<https://www.yc.edu/v6/district-governing-board/meetings.html>). A Special Board Meeting for the purpose of adopting the District's 2026-2027 Budget shall be held immediately following the Hearing at the same location.

Other than additional Property Tax revenues from new construction, please note that the College is NOT requesting an increase in property tax levy for the coming fiscal year.

The Budget will be posted on the Yavapai College website (www.yc.edu/budget) no later than May 11, 2026. Budget data will conform to mandates of law specified in A.R.S. 15-1461 concerning the advertisement and publication of budget information. Yavapai County Community College District is in compliance with primary tax levy limitation for 2026-2027 assessed valuation estimates. It is the intent of the District to be in full compliance with all applicable provisions of A.R.S. 42-17051. When actual 2026 assessed valuation amounts are determined, the District primary tax levy proposed for 2026-2027 will be adjusted, if necessary, to meet legal requirements.

	Budget 2027	Budget 2026	Increase/Decrease From Budget 2026 To Budget 2027	
			Amount	%
CURRENT GENERAL AND PLANT FUNDS				
A. Expenditures:				
Current General Fund	\$ 70,539,500	\$ 65,974,600	\$ 4,564,900	6.9%
Unexpended Plant Fund	7,899,500	21,973,700	(14,074,200)	-64.1%
Retirement of Indebtedness Plant Fund	1,643,700	1,577,900	65,800	4.2%
TOTAL	\$ 80,082,700	\$ 89,526,200	\$ (9,443,500)	-10.5%
B. Expenditures Per Full-Time Student Equivalent (FTSE):				
Current General Fund	\$ 18,563 /FTSE	\$ 15,924 /FTSE	\$ 2,639 /FTSE	16.6%
Unexpended Plant Fund	2,079 /FTSE	5,304 /FTSE	(3,225) /FTSE	-60.8%
Projected FTSE Count	3,800	4,143		
TOTAL ALL FUNDS ESTIMATED PERSONNEL COMPENSATION				
Employee Salaries and Hourly Costs	\$ 50,077,200	\$ 48,562,900	\$ 1,514,300	3.1%
Retirement Costs	4,932,600	4,934,500	(1,900)	0.0%
Healthcare Costs	6,024,300	5,093,500	930,800	18.3%
Other Benefit Costs	4,865,800	4,758,400	107,400	2.3%
TOTAL	\$ 65,899,900	\$ 63,349,300	\$ 2,550,600	4.0%
SUMMARY OF PRIMARY AND SECONDARY PROPERTY TAX LEVIES AND RATES				
A. Amount Levied:				
Primary Tax Levy	\$ 59,513,800	\$ 58,240,800	\$ 1,273,000	2.2%
Property Tax Judgment				
Secondary Tax Levy				
TOTAL LEVY	\$ 59,513,800	\$ 58,240,800	\$ 1,273,000	2.2%
B. Rates Per \$100 Net Assessed Valuation:				
Primary Tax Rate	1.4059	1.4956	(0.0897)	-6.0%
Property Tax Judgment				
Secondary Tax Rate				
TOTAL RATE	1.4059	1.4956	(0.0897)	-6.0%
MAXIMUM ALLOWABLE PRIMARY PROPERTY TAX LEVY FOR FISCAL YEAR 2027 PURSUANT TO A.R.S. §42-17051			\$	71,106,940
AMOUNT RECEIVED FROM PRIMARY PROPERTY TAXES IN FISCAL YEAR 2026 IN EXCESS OF THE MAXIMUM ALLOWABLE AMOUNT AS CALCULATED PURSUANT TO A.R.S. §42-17051			\$	-

RESOURCES

	CURRENT FUNDS			PLANT FUNDS		Other Funds 2027	Total All Funds 2027	Total All Funds 2026	% Increase/ Decrease
	General Fund 2027	Restricted Fund 2027	Auxiliary Fund 2027	Unexpended Plant Fund 2027	Retirement of Indebtedness 2027				
Beginning balances/(deficits)—July 1*									
Restricted	\$	\$ 5,776,000	\$	\$ 3,300,000	\$ 1,200	\$	\$ 9,077,200	\$ 11,095,000	-18.2%
Unrestricted	23,000,000		300,000	7,700,000			31,000,000	37,790,000	-18.0%
Total Beginning Balances	\$ 23,000,000	\$ 5,776,000	\$ 300,000	\$ 11,000,000	\$ 1,200	\$	\$ 40,077,200	\$ 48,885,000	-18.0%
REVENUES AND OTHER INFLOWS									
Student Tuition and Fees									
General Tuition	\$ 15,050,700	\$	\$ 998,100	\$	\$	\$	\$ 16,048,800	\$ 14,196,470	13.0%
Out-of-District Tuition	98,400						98,400	90,400	8.8%
Out-of-State Tuition	959,500						959,500	764,500	25.5%
Student Fees	369,000						369,000	520,100	-29.1%
Tuition and Fee Remissions or Waivers	400,000						400,000	400,000	
State Appropriations									
Maintenance Support	683,900						683,900	555,900	23.0%
Equalization Aid									
STEM Workforce		762,500					762,500	710,200	7.4%
Rural Community College Aid	1,899,200						1,899,200	1,833,600	3.6%
Property Taxes									
Primary Tax Levy	51,763,300			7,750,500			59,513,800	58,240,800	2.2%
Secondary Tax Levy									
Property Tax Contingency	(150,000)			(45,000)			(195,000)	(195,000)	
Gifts, Grants, and Contracts		12,725,300					12,725,300	12,796,400	-0.6%
Sales and Services			5,927,100				5,927,100	5,624,800	5.4%
Investment Income	638,500			500,000			1,138,500	1,625,000	-29.9%
State shared sales tax (Prop 301)		1,624,500					1,624,500	1,562,000	4.0%
Smart and Safe Arizona Act (Prop 207)		2,600,000					2,600,000	2,970,000	-12.5%
Other Revenues	733,200		1,338,100	40,000			2,111,300	1,885,000	12.0%
Proceeds from Sale of Bonds									
Total Revenues and Other Inflows	\$ 72,445,700	\$ 17,712,300	\$ 8,263,300	\$ 8,245,500	\$	\$	\$ 106,666,800	\$ 103,580,170	3.0%
TRANSFERS									
Transfers In			1,427,300	2,211,800	1,641,300		5,280,400	5,220,230	1.2%
(Transfers Out)	(4,876,300)		(404,100)				(5,280,400)	(5,220,230)	1.2%
Total Transfers	(4,876,300)		1,023,200	2,211,800	1,641,300		-	-	
Reduction for amounts reserved for future budget year expenses:									
Maintained for future financial stability	(17,220,530)			(1,000,000)			(18,220,530)	(23,500,000)	-22%
Maintained for future capital acquisitions/projects		(2,500,000)		(3,000,000)			(5,500,000)	(5,500,000)	
Maintained for future debt retirement									
Maintained for grants or scholarships									
Maintained for future retirement contributions									
Total Resources Available for the Budget Year	\$ 73,348,870	\$ 20,988,300	\$ 9,586,500	\$ 17,457,300	\$ 1,642,500	\$	\$ 123,023,470	\$ 123,465,170	-0.4%

*These amounts exclude nonspendable amounts (e.g., prepaids, inventories, and capital assets) or amounts legally or contractually required to be maintained intact.

EXPENDITURES AND OTHER OUTFLOWS

TOTAL RESOURCES AVAILABLE FOR THE BUDGET YEAR (from Schedule B)

EXPENDITURES AND OTHER OUTFLOWS

	CURRENT FUNDS			PLANT FUNDS		Other Funds 2027	Total All Funds 2027	Total All Funds 2026	% Increase/ Decrease
	General Fund 2027	Restricted Fund 2027	Auxiliary Fund 2027	Unexpended Plant Fund 2027	Retirement of Indebtedness 2027				
TOTAL RESOURCES AVAILABLE FOR THE BUDGET YEAR (from Schedule B)	\$ 73,348,870	\$ 20,988,300	\$ 9,586,500	\$ 17,457,300	\$ 1,642,500	\$	\$ 123,023,470	\$ 123,465,170	-0.4%
EXPENDITURES AND OTHER OUTFLOWS									
Instruction	\$ 25,987,100	\$ 6,045,800	\$ 354,100	\$	\$	\$	\$ 32,387,000	\$ 29,634,800	9.3%
Public Service	26,800	2,201,200	1,625,100				3,853,100	4,889,700	-21.2%
Academic Support	6,448,200	85,400					6,533,600	6,274,500	4.1%
Student Services	11,201,100	840,700	1,141,400				13,183,200	12,815,700	2.9%
Institutional Support (Administration)	16,280,500	200,500					16,481,000	15,483,200	6.4%
Operation and Maintenance of Plant	8,178,800	-					8,178,800	11,388,100	-28.2%
Scholarships	869,000	8,843,900					9,712,900	9,547,400	1.7%
Auxiliary Enterprises			4,568,500				4,568,500	4,455,900	2.5%
Capital Assets/Maintenance				13,357,900			13,357,900	21,082,100	-36.6%
Debt service—general obligation bonds									
Debt service—other long term debt					1,641,300		1,641,300	1,575,700	4.2%
Other Expenditures			1,497,400		2,400		1,499,800	1,499,600	0.0%
Property tax judgments									
Contingency	1,548,000		100,000	1,541,600			3,189,600	1,758,600	81.4%
Total Expenditures and Other Outflows	\$ 70,539,500	\$ 18,217,500	\$ 9,286,500	\$ 14,899,500	\$ 1,643,700	\$	\$ 114,586,700	\$ 120,405,300	-4.8%



Automotive



Unmanned Aircraft Systems



Sculpture Welded Metal



Office of Finance and Administrative Services
1100 East Sheldon Street, Prescott, Arizona 86301
928.445.7300

Prepared by
Clint Ewell, Chief Operating Officer
Dr. Michael Merica, Director of Institutional Effectiveness and Research
Duane Ransom, Budget Director
Wendy Swartz, Chief Business Officer/Controller
Mandi Witty, Graphic Designer
Ivonne Zuniga, Director of Strategic Initiatives and Special Projects

More information can be found on the college's website: www.yc.edu/budget